THE INDEPENDENT

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INSIDE THE EYE TODAY 32 PAGES OF FILM, POP & CLASSICAL

Stallone: He could have been a contender

Anything for a tough life: Mark E. Smith of the Fall

Hollywood stars: Who needs them?

TODAY'S NEWS

Blair's key Bill pledges better schools

An education Bill to raise school standards - the yardstick by which the Prime Minister wants his government to be judged - was published yesterday. The School Standards and Framework Bill will allow businesses to take over some local education authority functions and to be involved in the creation of 25 education action zones in deprived areas. New "super-heads" paid as much as £100,000 a year may run the zones, which will contain two or three secondary schools and their feeder primary schools. The Education Secretary gets unprecedented powers to intervene in failing schools and local education authorities. But teachers said the zones, which will be used to test educational experiments and be able to pay extra to attract the best teachers, could destabilise the entire education service. **Page 5**

Fayed bribes charge

The tycoon Tiny Rowland has claimed in High Court writs that his old adversary, Mohamed Al Fayed, offered him £10m to lie to a parliamentary committee on standards. The former head of Lonrho also alleges that the Harrods owner was prepared to hand him ownership of the shirtmakers Turnbull & Asser and tried to blackmail him. The allegations were "categorically" denied by Mr Fayed. **Page 3**

Winnie denies murder

Winnie Mandela denied any involvement in the murder of the 14-year-old activist known as Stompie at the close of a nine-day hearing of the Truth and Reconciliation Commission in Johannesburg yesterday. In a bizarre and emotional scene at the end of the hearing, she embraced the boy's mother. **Page 3**

Opera resignations

The chairman and board of the Royal Opera House resigned yesterday as a matter of honour, following a damning Commons report. But the chief executive, Mary Allen, one of the committee's targets, is not going. She disclosed last night that she did offer to resign but said her offer was "emphatically and unanimously rejected by the board." **Page 7**

One runs into old school chums in the oddest of places

Prince and the pauper: Prince Charles unexpectedly meeting a former school mate, Clive Harold, in Clerkenwell, London yesterday Photograph: PA

One can never tell where one might bump into one's old school friends, as the Prince of Wales discovered yesterday. Visiting the London offices of the magazine for the homeless, the *Big Issue*, he looked taken aback when he was introduced to Clive Harold, 49, a former pupil of Hill House School in Knightsbridge, London.

According to Mr Harold, the two were in the same stream and played football together. "I reminded the Prince how we used to walk from the school to the Territorial Army ground near Sloane Square for football. He remembered that and he also remembered the headmaster giving us mint sweets," he said.

"The Prince did not remember me of course and I only remember him because we both had big ears and because he was obviously well known there."

Mr Harold told the Prince that from his privileged upbringing, he had become a showbiz columnist for *Women's Own*, a fact later confirmed by the magazine. He had also written a book - *The Uninvited* - which he still carries with him as a "security blanket". But while his career his flourishing, his life was disintegrating. "I realised that I had not given enough time to my family and friends. I suppose the booze got me in the end," Mr Harold said.

"It was when my second marriage failed that things really fell apart. I lost my house and one day I woke up in a shop doorway in the Strand. I had lost everything."

Mr Harold now sells the *Big Issue* from a pitch near Holborn Tube station, and is rebuilding his life. The Prince, as a single parent, is rebuilding his own life, albeit in slightly more salubrious surroundings.

Mr Harold commented: "It was strange that we should meet again after 44 years. My life has had its twists and turns and so has his." Or as the Prince said afterwards: "It just shows you, doesn't it?"

— *Jojo Moyes*

England draw a clear passage

England's quest to repeat their World Cup win of 1966 was given a boost last night when they were handed a comfortable first-round draw for next year's tournament in France.

Glenn Hoddle's team will open their campaign on 15 June in Marseilles against Tunisia, and will then play Romania and Colombia in their two other first-round games. Two of the four will progress to the second round and England should have no problems being one of them. Romania, the strongest of their opponents, have an ageing side, while Colombia and Tunisia should both prove beatable. Hoddle said: "It's not a bad draw. It could have been a lot worse."

For Scotland, it was a lot worse. They were drawn in the same group as Brazil, the World Cup holders and strong favourites to retain their title next year. Making up the numbers in their group are Norway, ranked 14 in the world to Scotland's 36, and Morocco, who are the type of underrated team that the Scots have most to fear.

Scotland start their World Cup on 10 June against Brazil in Paris, the opening game of the tournament. Craig Brown, their coach, said: "It couldn't come any tougher." He added that his side would be aiming for second in their group at best. England and Scotland are drawn in such a way that they could meet in the semi-finals. Hoddle said it would be a "dream come true for British football".

Yesterday's draw threw up some other intriguing ties. The United States are pitted against Iran in the opening stages, in a group with Germany and Yugoslavia. South Africa, making their first appearance in the finals, will meet the hosts, France, Saudi Arabia and Denmark in the opening phase.

— *Nick Harris*

Sport, pages 30,32

Utter confusion about BSE in cakes and sweets

Will gelatine be the next beef-derived ingredient we worry about? Probably we shouldn't – but it may be at risk as the Government wrestles with the consequences of banning beef 'on the bone', because gelatine is what you get from the bones. Our Science Editor investigates.

BY CHARLES ARTHUR

Gelatine, used in huge quantities of sweets, cakes, biscuits, sauces and other foods, may be implicated in the new BSE scare, it was revealed yesterday. But there was profound confusion about the issue, which takes the beef crisis into new areas for every shopper.

Gelatine is a binding agent for foods and medicine made from boiled animal bones, including cattle bones – which have become the subject of a proposed Government ban, when attached to cuts of meat, such as T-bone steaks. Europe produces about 97,000 tonnes of it annually, and probably consumes even more.

So has the disease spread to this most widespread and homely of substances? As with many aspects of the BSE story, no one seems entirely sure. "Infectivity has never been shown in gelatin," said a government spokesman yesterday – repeating a line which has been used for more than a decade. In contrast, Stephen Dealler, an independent expert on the disease, said: "The method used to detect infectivity – injecting it into mice – makes it far less sensitive than you'd ideally want. A lot of tissues have come out negative in the government tests. But you really don't know for sure."

The Government's certainty that meat on the bone poses a risk – however small – prompted a typically British reaction from some shoppers yesterday: they began bulk-buying. Joe Collier, owner of Eastwoods Butchers in Berkhamsted, Hertfordshire, said he had sold a week's worth of ribs in one day to customers defying the planned ban – which requires a Parliamentary Order, not expected until January.

"One customer rang up and placed an order for £200 of Scotch rib of beef," said Mr Collier. "He won't be able to pick it up for a week but he wanted to make sure he'd be able to get hold of it. We've sold more rib of beef today than I normally would in a whole week. Customers are saying they're very angry about what's happened."

Farmers meanwhile continued with a more Gallic reaction. Many were last night converging on Dover for a blockade, continuing protests which have been building in size and spread since Sunday night. Jack Cunningham, the Minister of Agriculture, pledged to do everything in his power to bring the chaos to a halt. "Farmers have no right to act outside the law. If this was a bunch of unemployed youngsters people would see it completely differently," he said. "Farmers are not above the law – that has got to be made clear to them."

Michael Jack, his predecessor in the post, s said he had met hill farmers on Wednesday who had told him beef prices at Banbury market were at a 20-year low. Hill farmers, who have an average income of only £10,500 a year, have been hit badly by the problem.

But while the anger over meat off the bone grew, the confusion over the bones off the meat is quietly growing. The European Commission intends to bring in new regulations from 1 January which will compel Europe's gelatine manufacturers – who produce about 97,000 tonnes annually, for revenues of about £580m – to use only "approved" bones from "BSE-free" countries.

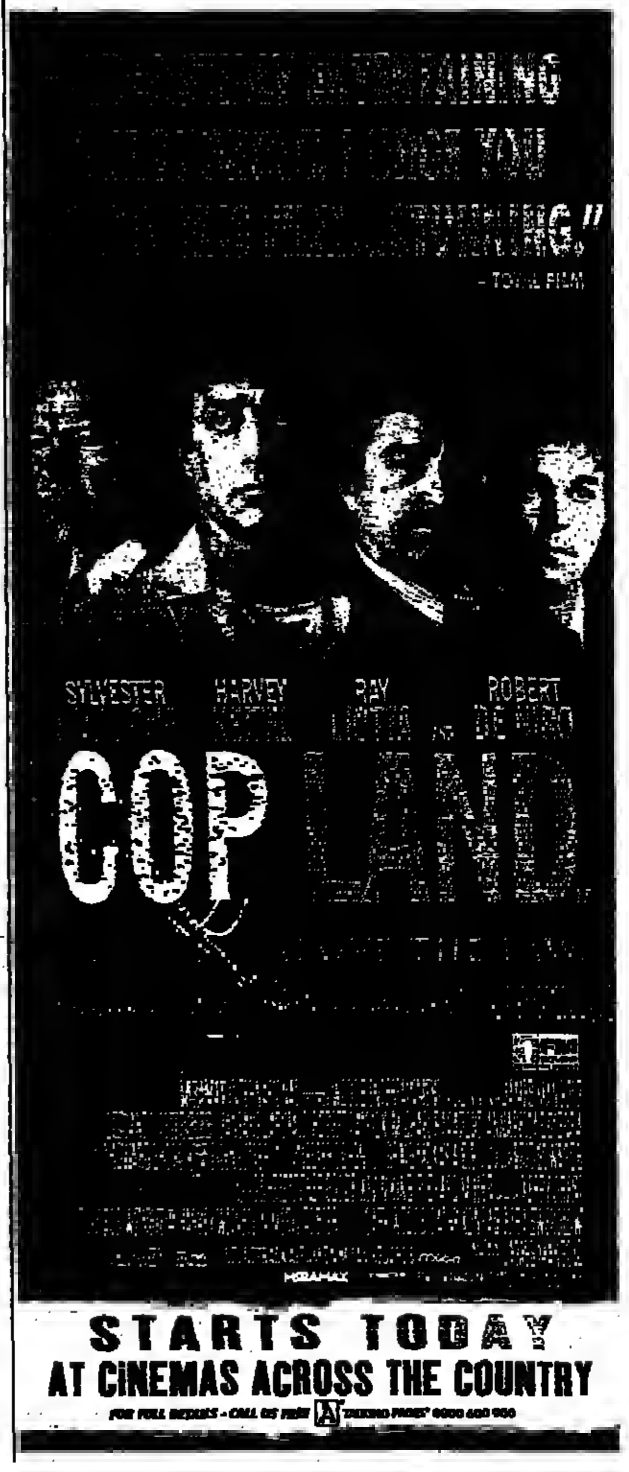
But with fewer than 20 working days before that comes into force, the EC hasn't decided what "approved" or even "BSE-free" means. In particular, Germany, which has recorded five cases of BSE, insists it should be defined as "BSE-free" because the cases were found only in imported rather than home-bred cattle. Jurgen Thomsen, secretary of the Association of Gelatine Manufacturers of Europe, said yesterday: "I have absolutely no idea what the definition will be."

There is also confusion over what bones can be used. Gelatine manufacturers have previously used the vertebrae as raw material – but as the spinal cord has repeatedly been shown to be very infectious, and with this week's announcement that bone marrow is potentially infectious, they are worried that that too will be taken off the approved list. In that case, the price will go up, and they will be forced to import from the US and Asia, which presently vie for market share.

The Ministry of Agriculture, Fisheries and Food was last night still puzzling over the consequences of its own ruling. "We're not sure if gelatine in food will be able to be made from bones from any countries," said a spokeswoman yesterday. "We will thrash that out with the industry, in consultation to start as soon as possible and report as soon as possible."

Farmers blockading ports were damaging their own interests as well as Britain's close relationship with Ireland, Mr Cunningham warned last night after a meeting with his Irish counterpart, Joe Walsh.

Beef crisis, pages 12 and 13



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2/BRIEFING

COLUMN ONE

A bag of sugar: the acid test for Italian virility

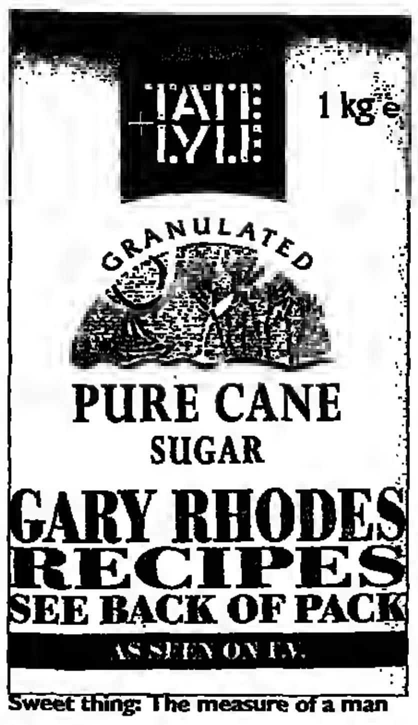
Italian men show a rare enthusiasm for sex – or at least those who agreed to test a new drug for impotence did.

They were persuaded by doctors at the Centre for Impotence and Fertility in Rome that the only valid way to test the efficacy of the treatment was by applying a kilogram weight – equivalent to a large bag of sugar – to the end of their penises to assess their rigidity.

If the weight did not buckle the penis, that would be proof that the treatment worked.

In all, 123 men agreed to participate in the study, ranging in age from 33 to a remarkable 77. The drug, alprostadil, was inserted into the urethra (the opening of the penis) and the men were given what doctors call "visual erotic stimulation" – pictures of undressed women to you and me.

First, the hardness of the penis was assessed using an electronic rigidometer called a Rigicompt which measured the pressure. Once this rose above 75mm of mercury it was judged to be fully rigid.



Sweet thing: The measure of a man

Next the men were subjected to the "*penile buckling test*". If they could carry the kilogram weight – no hands allowed – they passed.

The test was carried out using a virility meter. The device is applied to the top of the glans of the penis and presses downward, recording the pressure in grams.

Dr Ermanno Greco, who conducted the study with his colleague Dr Paolo Polonio-Balhi, said: "It is a machine which expresses your virility. You can see exactly what your power is. It is not such a severe test."

An erection capable of lifting a weight of 750 grams – three-quarters of a bag of sugar – is good enough for intercourse, though it is not fully rigid, Dr Greco said. Men who can support a kilogram weight from the end of the penises are at peak virility and push the machine off the scale.

The results of the study, reported in the *Lancet*, showed that the drug improved the blood flow in all patients, increasing the size of the penis and more than doubling it in some. Unfortunately, "not many had a real and lasting hardness," Drs Greco and Polonio-Balhi say.

There was complete rigidity in 11 men and a full but not lasting erection in 16 that subsided in one to two minutes.

Five patients were sufficiently impressed to try the drug at home and two "got good results", the doctors say. The other 118 returned to using the injections direct into the penis that most of them had previously relied upon.

The performance of even the most successful Italian volunteers pales beside the exploits of the sadhus of Nepal. In *Chomolungma Sings The Blues*, an account of travels around Mount Everest by the mountaineer Ed Douglas, he describes meeting a sadhu who offers to lift a rock with his penis – for a price. How much does the rock weigh? Over 80 kilos. "It is a hard life," says the sadhu.

— *Jeremy Laurance, Health Editor*

PEOPLE

Photograph: Christine [illegible]

Lauren Booth: 'I felt like a child that had foolishly poked a stick at a caged panther'

PM's sister-in-law asks Alan Clark for a date

By now, most women might consider it a good idea to give Tory MP Alan Clark a wide berth. Perhaps the Prime Minister's *sister-in-law simply hadn't read* the Diaries of the "cold, steely-eyed Lothario".

In an article in *The Spectator* magazine, 28-year-old former model Lauren Booth recalled how she tried to date the libidinous former Cabinet minister at a recent parliamentary awards ceremony.

"My reputation as a Valkyrie-like goddess (encouraged by bored journalists with columns to fill) was at stake," she wrote. "To leave the awards not having been asked out by him would, I was assured, be seen as 'a sure sign you're a woofer'.

Determinedly, but with a "demure smile", Ms Booth approached Mr Clark and said: "It wouldn't be good form for either of us to leave here without having arranged an innocent lunch together."

"Time may indeed have crumpled those aquiline features, but as he turned his full and vaguely amused attention on me, I suddenly felt like a child that had foolishly poked a stick at a caged panther," she said. "He gave me a cool, brazen appraisal: 'My dear, I was going to ask you anyway,' he growled.

Ms Booth also described the arrival of Tony Blair at 10 Downing Street, as "the Versace revolution".

"To witness a historic moment can have peculiar repercussions. That moment for me was realised as *I watched my charming*, Marmite-sandwich-making brother-in-law change before my eyes at his Sedgefield constituency count into 'our leader'."

Ms Booth said Mr Blair was "warmer than Pitt the Younger, more flamboyant than Disraeli, and more youthful than Lloyd George.

"The Czech overthrow of Soviet tyranny was called the Velvet Revolution. This was just as momentous: the Versace Revolution."

Last week Tory spin doctor Sheila Gunn admitted that she had no grounds whatsoever for suggesting that Cherie Blair did not like Humphrey the Downing Street cat. But Ms Booth suggests that feline ado*ration does* not run in the family.

"Our paths crossed one afternoon in the Downing Street lobby. He looked a bit ragged. Moreover, he had the arrogance of a very senior civil servant – the cat wasn't called Humphrey for nothing.

"Indeed, he gave me such a withering look of contempt that I shall never forget him," she said, adding: "Nor will I forget the unpleasant odour that followed him about."

— *Jojo Moyes*

UPDATE

HEALTH

Festive misery for alcohol bingers

More than 10,000 people a day are expected to seek help for alcohol-related problems over Christmas, it was disclosed yesterday. Around 9,300 people go for help for *their own* drink problem and 700 make inquiries on behalf of friends or family, according to an Alcohol Concern survey.

The director, Eric Appleby, said the charity and other alcohol-advice agencies were bracing themselves for a Christmas and New Year rush. "This is the first time that we have been able to put an accurate figure on the numbers ... receiving help on any given day - and the figure of 10,000 is bound to go up over the Christmas period, given the amount of alcohol consumed and holiday closures." The study, the first of its kind, carried out just before Christmas last year, shows men accounted for two-thirds of self-referrals and the average age of people seeking help was 41. Nearly half the people requiring help said they were concerned about their psychological health. Physical health was the main concern of 27 per cent; relationship problems 20 per cent; and a combination of work and financial problems 7 per cent.

Mr Appleby said the figures showed the scale of alcohol abuse. "Perhaps the most important thing to note about these figures is that it's not right just to be concerned about drugs and young people - 85 per cent of the sample used no drugs other than alcohol, thereby killing the myth that people generally seek help with a cocktail of alcohol and drug problems."

CRIME

Old Vauxhalls head the theft index

Fifteen-year-old Vauxhall Cavaliers are the cars most likely cars to be stolen, according to official Home Office figures published yesterday.

More than one in every 10 1980-82 model Cavaliers on the road last year was stolen. And the 1983-85 and the 1986-88 models fared almost as badly in the Home Office's Car Theft Index. The Cavalier's monopoly of the top places in *the index* was only broken by the 1986-88 model Austin Morris Metro MG, which was fourth on the list.

The good news for car buyers is that newer vehicles are much less likely to be stolen. Just two in every 1,000 cars registered last year was stolen, compared with 28 per thousand registered in 1985 - the peak vintage for thefts. Home Office Minister Alun Michael said the trend reflected improvements in security by manufacturers in recent years, although he warned against complacency.

TOURISM

Icelanders have hots for Scots shops

Icelanders have the hots for British shops: tourists from there spend more per day - an average of £99 - than any other overseas visitors to the UK, *figures from the* Office for National *Statistics* (ONS) *show*. Much of the spending is on shopping trips to Scotland.

The figures also showed a record 42 million visits were made abroad by UK residents in 1996 - up 3 per cent on the 1995 level. Spending on these trips totalled a record £16.3bn - up 6 per cent. France was the most popular destination, followed by Spain, Ireland, the USA and Germany. A record 25 million visits were made by overseas residents to the UK last year - up 7.5 per cent on the 1995 total. More visits were made by French residents than from any other country. Although Icelanders were the top daily spenders, the highest spenders overall were Americans, followed by the Germans.

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Wheelchair bound MP has that golden touch

Christmas came early yesterday for Labour MP Anne Begg, who displayed her new gold-plated wheelchair outside the House of Commons. Ms Begg, 41, who became Britain's first wheelchair-bound MP when she defeated former the Scottish Office minister Raymond Robertson on 1 May for the Aberdeen South constituency, showed that the disabled can travel in style by acquiring the new £1,475 chair.

She spotted the chair at this year's Scope National Conference in Blackpool, and decided that it would be the ideal accessory to complement her best clothes on special occasions.

One of a limited edition of just 99 being sold across Europe, the chair contains around £180 worth of gold.

Chris Fullerton, the marketing manager of manufacturers Invacare UK, said: "We have found that wheelchairs are fast becoming a style item, and that users want chairs to reflect their personality, as well as providing a high degree of mobility."

Ms Begg, who was head of English at Arbroath Academy before her election to Parliament, has been in a wheelchair for 13 years.

She suffers from Gauchers disease – an enzyme deficiency blood disorder that has softened her bones.

TOURIST RATES

Australia (dollars)	2.41	Italy (lira)	2,848
Austria (schillings)	20.33	Japan (yen)	215.06
Belgium (francs)	59.73	Malta (lira)	0.63
Canada ($)	2.33	Netherlands (guilders)	3.25
Cyprus (pounds)	0.84	Norway (kroner)	11.78
Denmark (kroner)	11.08	Portugal (escudos)	294.23
France (francs)	9.69	Spain (pesetas)	243.96
Germany (marks)	2.90	Sweden (kroner)	12.80
Greece (drachmei)	462.30	Switzerland (francs)	2.34
Hong Kong ($)	12.63	Turkey (lira)	321,851
Ireland (punts)	1.10	USA ($)	1.64

Source: Thomas Cook
Rates for indication purposes only

7.30 FOR 8 by Chris Priestley

ZITS by Jerry Scott & Jim Borgman

Reconciliation, maybe. But not the truth

Never had truth and reconciliation in South Africa seemed so irreconcilable. ***Mary Braid*** **watched a sickening spectacle unfold yesterday at the end of the hearings into Winnie Mandela's alleged involvement in an array of murders and assaults.**

Joyce Seipei (left), the mother of the murdered teenage activist Stompie Moeketsi Seipei, is embraced by Winnie Mandela at the Truth and Reconciliation Commission hearing in Johannesburg yesterday
Photograph: Adil Bradlow/AP

The nine-day hearing was stuffed with grotesque moments, but yesterday's were the worst. Taking the stand after eight days of damning testimony against her, Winnie Mandela held up well at first. Her strategy was blanket denial, shifting all the blame to the media and her political opponents.

Now she seemed flustered as she struggled to maintain her alibi for the day the 14-year-old activist Stompei Seipei Moeketsi, who later died, was severely assaulted in her home.

It was one of the few real challenges to a woman with many questions to answer from many families. But Archbishop Desmond Tutu, chairman of the Truth and Reconciliation Commission, the body charged with exposing the horrors of the apartheid era, kept pressing the lawyer challenging Mrs Mandela, to wind up.

Suddenly a premature finale materialised, as if from nowhere. While the cross-examination by lawyers acting for Mrs Mandela's alleged victims was still under way, the archbishop invited all those who claimed to have suffered at the hands of Mrs Mandela and her vigilantes, the Mandela United Football Club, to come forward.

Suddenly Joyce Sepei, Stompie's mother, was embracing Mrs Mandela, the woman already convicted of taking part in the kidnap of her son, and who this week was also accused by several witnesses of brutally assaulting him before his death.

The cameras clicked as the archbishop gave a sermon about the healing of a nation. It was as if the commission had realised Mrs Mandela would not bend. It offered sham reconciliation in the absence of truth or even a glimmer of contrition.

Not everyone was fooled. A farce was the way some families, anticipating events, described the hearings half an hour earlier, when they stormed out the hall. "She's the woman who murdered our children," screamed Caroline Sono outside the hearing. She remembers Mrs Mandela calling her son "a dog" just before his disappearance in 1988. Mrs Sono said the TRC hearing had amounted to nothing. "Nothing has been done. There's no justice in this land."

Mrs Mandela was implicated in the disappearance of Lolo this week. Mrs Sono's husband, Nicodemus, testified that Mrs Mandela and members of the football club had brought Sono's battered body to his home in the back of a van in November 1988. He claimed he begged for Lolo's life but Mrs Mandela had said he had sold out and the movement would decide what to do with him. That was the last time Lolo was seen alive.

On Wednesday Jerry Richardson, former coach of the football team, now serving life for Stompie's murder, said he had killed Lolo and his friend Siboniso Tshabalala on Mrs Mandela's orders.

Yesterday Mrs Mandela denied ordering anyone's death. Every charge was "ludicrous", or "lunacy". And just as witnesses mysteriously disappeared before the trial for Stompie's kidnapping, assault and murder, so witnesses failed to show this week.

Michael Seakamela had been expected to tell the commission that he had driven Mrs Mandela and the injured Lolo to Lolo's home. The TRC warned Mrs Mandela about intimidating witnesses. But all that was forgotten yesterday when Mrs Mandela finally finished being cross-examined. A tearful Archbishop Tutu begged Mrs Mandela just to admit that things had gone wrong and say sorry. She did not have to specify what those "things" were. She duly obliged.

What followed was a bizarre mixture of pantomine and pure Hollywood. There were flowers for the diva as she was welcomed back with emotion into the fold. Mrs Mandela embraced everyone.

If proof were needed that South Africa had gone mad it was the sight of Jerry Richardson, her mentally disturbed former henchman, handing out greetings cards to everyone he could find. And all this for a woman who was for eight days portrayed as a violent despot who orchestrated a reign of terror in Soweto through the football club thugs she housed at the back of her home. All this for the woman who denied every accusation levelled against her and rubbished almost every witness.

At the beginning of these hearings, Mrs Mandela was urged by Peter Storey, a bishop in South Africa's Methodist Church, to unburden herself of the sins of the past. It is through these quasi-religious acts of confession that South Africa is supposed to heal itself and go forward. But yesterday was simply a final show of defiance by Mrs Mandela who had refused to seek amnesty from the Commission in spite of the advice of the African National Congress.

Either Mrs Mandela lied to her back teeth or she is the victim of an elaborate political conspiracy. In two weeks Mrs Mandela will contest the deputy leadership of the ANC, a post that would put her within striking distance of the presidency. That must chill the heart of men like Mr Cachalia.

MURDERS IN WHICH WINNIE WAS IMPLICATED

Among the murders in which witnesses at the hearings implicated Mrs Mandela were:
1 The assault and murder of Stompie Seipei Moeketsi, 14, at the end of 1988. Gerry Richardson, former "coach" of the notorious Mandela United Football Club, claims he carried out the murder on Mrs Mandela's orders after the boy was beaten by her and the football team until he was almost dead. Stompie, it is claimed, was thought to be a police spy.
2 The murder of Dr Abu Baker Asvat in his surgery in January 1989. Two men, serving life for his murder, now claim they were paid by Mrs Mandela to kill him. Its claimed the doctor had been asked to examine a badly beaten Stompie by Mrs Mandela and that he was assassinated because he knew too much about the boy's death
3 The murder of Kuki Zwame in December 1988. Richardson claims he killed Ms Zwame on Mrs Mandela's orders after Mrs Mandela branded her a spy.
4 and 5 Lolo Sono and Siboniso Tshabalala, who disappeared in November 1988 after allegedly being questioned and assaulted at Mrs Mandela's house. Richardson claims he killed them on Mrs Mandela's instructions because she suspected they were informers.
6 The death of Finkie Msomi, 13, shot during an attack on a Soweto home earlier in 1988. The attack was allegedly carried out by the club on Mrs Mandela's orders in revenge for the murder of a football club member.

Mrs Mandela was also asked about at least five other murders during the hearing and an array of violent assaults.

Fayed offered me £10m to lie to MPs' committee, says Tiny Rowland

Tiny Rowland claims Mohamed Al Fayed offered him £10m to lie to a Parliamentary committee. ***Michael Streeter,*** **Legal Affairs Correspondent, recounts the latest twist in the long-running feud between the two men.**

Tiny Rowland (left) and Mohamed Al Fayed make up in 1993 after ending their row over the ownership of Harrods store

Even by the standards of the long-running war between Mr Rowland and Mr Fayed, the allegations are startling. In High Court writs Mr Rowland claims that the Harrods boss offered him a £10m bribe to lie to the Select Committee on Standards and Privileges.

The former head of Lonrho also alleges that the Harrods owner was prepared to hand him ownership of exclusive shirtmakers Turnbull & Asser, and tried to blackmail him by promising to return reportedly damaging documents about him if Mr Rowland gave the false evidence.

At the time, Mr Fayed was alleging that the former cabinet minister Michael Howard had accepted a payment of £1m or £1.5m to start a Department of Trade and Industry inquiry into the Egyptian businessman's takeover of Harrods. The claims were firmly dismissed by the committee in March.

The bribery allegations, "categorically" denied yesterday by Mr Fayed, come just after he withdrew a libel action over a *Vanity Fair* magazine article which accused him of racial and sexual harassment.

The new claims are contained in a civil action brought by Mr Rowland claiming that Mr Fayed and five other people broke into his safety deposit box at the Knightsbridge store in December 1995, allegations first made by the former MP, Neil Hamilton, in October.

In a series of writs lodged with the High Court, it is said that the box was opened to search for material which could be used to put pressure on Mr Rowland to back Mr Fayed's allegation against Mr Howard. The box apparently contained documents and audio tapes, together with jewels and other valuables.

The writ against Mr Fayed alleges that while he was present two of his staff went through the contents of the box and photocopied some of the documents.

More documents were copied, and the tapes removed for copying, after the box was again broken into the following evening. The tapes were replaced after a third break-in. Some of the valuables were "stolen", it is alleged.

The writs are against Mr Fayed, his assistant Mark Griffiths, his director of security John Macnamara, his bodyguard Paul Handley-Greaves, senior security manager John Allen, and the safe deposits manager, Colin Dalman.

Mr Rowland alleges that they conspired together, and with Nancy Bush and Robert Loftus, wrongfully to interfere with his goods by committing trespass and/or wrongful conversion: to induce a breach of the hire contract relating to the box, and to infringe his copyright in letters and recordings.

Mr Rowland claims that before the break-in a series of letters from Mr Al Fayed and his staff had – vainly – tried to persuade him to give false evidence.

The attempts to buy the retired tycoon's evidence came later, according to the writs.

In one it is stated that during a lunch at Harrods in about March 1996, "the defendant claimed he had information and/or documents damaging to the plaintiff, showed him a brown envelope which he claimed contained such material, and told him he could have the contents of the envelope, together with ownership of Turnbull & Asser ... and a cash payment of £10m if he gave evidence to the aforesaid select committee".

Mr Rowland is seeking damages, the return of any property in the defendants' possession, and an injunction to prevent unauthorised copying of the letters and tapes.

IN TOMORROW'S FIVE-SECTION INDEPENDENT

Scuba diving in Thailand, 48 hours in Havana
TIME OFF

Make it a merry plastic Christmas
YOUR MONEY

The Old Vic: Goodbye to all that
ARTS

Fever pitch with the Medieval Babes
THE MAGAZINE

EU ducks and dives over tobacco ban

The ambitious campaign by the European Commission to ban tobacco advertising has taken a knock from Britain, and now Spain. *Katherine Butler* **reports from Brussels.**

Britain was offered eight years to wean Formula One and other sporting or arts events off tobacco sponsorship last night to secure the Government's backing for a controversial EU ban on cigarette advertising.

Under pressure from European health ministers the Commission, which has been seeking a blanket ban on all forms of tobacco advertising and sponsorship for the past 10 years, appeared ready to bow to a series of other national demands to muster a majority in favour of the measure.

A surprise move by Spain, which switched camps to reverse its support for a ban early yesterday, plunged supporters into despondency as backing for a compromise formula had been finely balanced, with four member-states, Germany, Austria Greece and Denmark, ranged against it.

A second compromise offering Britain an eight-year phase-in for a sponsorship ban on events "organised at world level" and giving Greece the right to display tobacco ads at street-corner kiosks, looked enough to clinch a deal, even without Spain's approval.

But the threat of a total ban on indirect advertising, sponsorship and promotional gifts fell away as the Commission eased proposals which would have banned the marketing of clothing and luxury goods by tobacco manufacturers.

Faced with a hail of protests about legal obstacles related to trademark law, it revised the threat, to allow existing products such as Camel boots or Marlboro T-shirts to continue to be sold subject to certain constraints. Under the deal expected to be agreed late last night, assuming Britain accepted the eight-year timeframe for Formula One sponsorship. EU governments, all of which already ban tobacco advertising on television, would ban publicity in the written press and on billboards.

They would have two years to implement the measure.

Sponsorship deals could continue for all sports for a further two years and a further four-year exemption could be allowed for sporting or cultural events "organised at world level".

Organisers would be required to demonstrate that they were replacing tobacco money with alternative sponsors during that time and to reduce the visibility of cigarette brand emblems and logos at events.

Cigarette advertising in specialist tobacco industry magazines and in publications imported from outside the EU, for example copies of *Time* or *Newsweek* published in the US, could also continue.

Padraig Flynn the EU commissioner for health policy, strongly urged governments to accept the compromise warning, that it would be many years before a new attempt to restrict advertising could be launched if it failed.

There was criticism however from governments which said the watered-down version of the proposals inflicted serious damage on effectiveness of a ban. Brian Cowen, the Irish health minister, said: "I am disappointed at efforts to water this down.

Quite clearly, vested interests in the tobacco industry and in sport are very strongly influencing the proceedings".

A 40ft pile of beans grown in Rusper, West Sussex, using fertiliser from recycled waste organic solids from Southern Water. The broad beans, which will be used for cattle feed, are the first crop grown at the experimental farm Photograph: Philip Meech

Double 'sting' costs Foreign Office £442,000

The Foreign Office has lost £442,000 as a result of a double 'sting' at the British embassy in Amman. *Anthony Bevins,* **Political Editor, reports on two accountants and a modern Aladdin's Cave.**

Last year, MPs were told by Sir John Bourn, the Comptroller and Auditor General, that a locally engaged accountant in the British Embassy in Jordan had "forged life certificates and encashed payable orders for over 20 years in respect of pensioners who had previously died."

The accountant, Zureik, for whom no other name is provided, is believed to have got away with £330,000, and the National Audit Office made a number of recommendations to tighten up procedures in Amman, described as "a particularly vulnerable post".

Because of the Zureik "sting", when a new senior management officer arrived in Amman last June, he was very much on his toes, and he noticed that the occupants of some of the embassy's residential properties "appeared to be consuming significantly more fuel than others".

On being asked to investigate, his assistant "found that a number of oil deliveries were for identical amounts", and she discovered "that duplicate payments had been made as a result of the presentation of different copies of the same invoices."

The man who replaced Mr Zureik was Mr Shehadeh, for whom no other name is provided, and it appears that between 1993 and last June he was in the habit of submitting two copies of the same diesel fuel delivery invoice for signed authorisation by the embassy's senior management officer.

The top, pink copy, was quite properly used to support cheque payment to the supplier – but, then, Mr Shehadeh would use the duplicate, green delivery note to support a cash payment into an account which he controlled.

"To forestall detection," Sir John explained, "the two payments were so arranged that they appeared on the embassy's accounts in different periods."

Mr Shehadeh also submitted falsified invoices for utility supplies, like electricity, as well as stationery and postage, using a variety of techniques to get the senior management officer's authorisation for payment.

Because records have been destroyed for the seven years to 1993, when Mr Shehadeh was working as an accountant in the embassy, the precise loss is not known.

Mr Shehadeh, who denies all the accusations made against him – yesterday's report attracts parliamentary privilege for purposes of defamation – is currently being held on remand pending criminal and civil trials.

As for the senior management officer who signed the authorisations, he left Amman in April and has had unspecified "disciplinary action taken against him". He is not named, and his fate is not known.

Angler nets four fish a minute for five hours

Angler Jimmy Powell proved that little fish are sweet when he caught 1,100 in just five hours to win a contest on the flooded River Wye in Hereford and Worcester.

The 40-year-old factory stores manager landed almost four fish every minute in the tournament last Sunday. More than half the 200 anglers who had been expected to compete in the event failed to turn up because the swollen river was running so high that they despaired of catching anything.

But Mr Powell had no complaints as his keep net began to bulge with bleak – a tiny silver coloured flat fish the size of whitebait. A shoal of the fish were sheltering from the strong current behind a fallen tree trunk which was wedged against the bank at the spot where Mr Powell had been drawn to fish in the contest.

"I've never caught so many fish in my life," said the former Welsh international. "My arms and shoulder blades are still aching now – I've run half marathons and not felt that shattered.

"The river was chocolate brown and the current was so strong some tree trunks floated past me at about 30 miles an hour. All the fish were looking for a sheltered spot and they were not expecting to be caught. Most of the time I was catching eight or ten fish with each maggot. They were chewing on the bait and I just shook them off my barbless hook into the net."

Mr Powell's incredible haul only weighed 25lb 3½oz but was sufficient to win the £200 first prize in the Hereford and District Angling Association's Wye Charity Match. The chairman of the association, Ray Bryan, said: "It was an incredible achievement. Most people took one look at the river and thought that there was no way they were going to catch fish."

Even so, Mr Powell, of Victoria Park, Hereford, believes that his haul is not a record breaker. An angler called Steve Thomas – nicknamed "the bionic bleaker" – is reputed to have caught 1,800 bleak in another five-hour contest on the Wye.

All the fish in the latest tournament were put back in the river alive.

— *Richard Smith*

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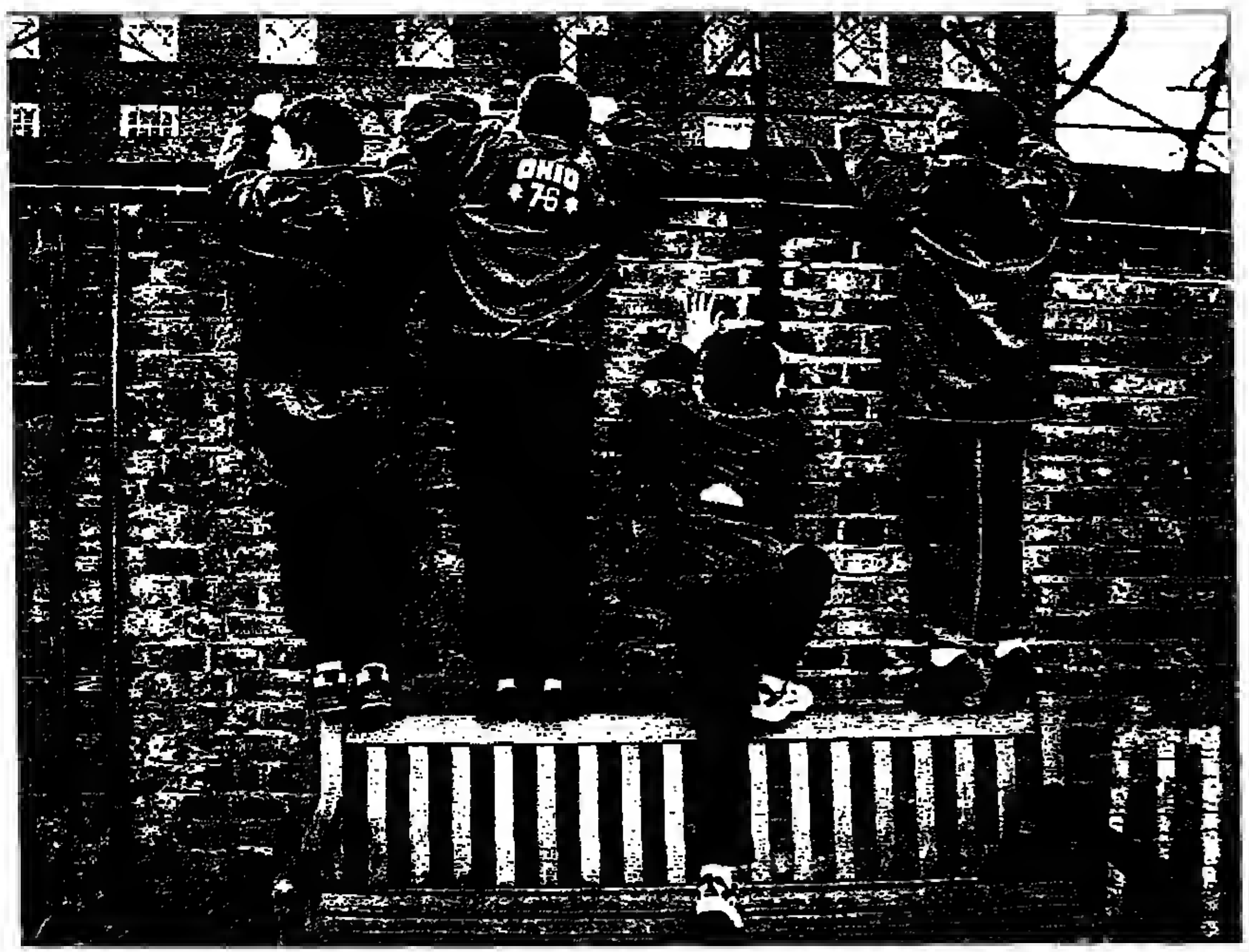

I spy: Winton primary school pupils trying to catch a glimpse of Prince Charles yesterday Photograph: Kalpesh Lathigra

Classroom revolution offers new hope for worst schools

Action zones, to be set up for under-achieving schools in disadvantaged areas, are to be test-beds for experiments in raising school standards. Our Education Editor analyses yesterday's Education Bill.

BY JUDITH JUDD

Education priority areas tried to entice teachers into poor areas by paying them more. The remit of education action zones, outlined in the Education Bill yesterday, will be much wider. Run by a mixture of local authorities, community groups and business, they will be free to fix the pay and conditions of teachers working within them, regardless of national pay scales, and they will be able to ignore the national curriculum.

That means that they will be able to concentrate on the basics of literacy and numeracy and remedy the failure of successive governments to raise standards among the most disadvantaged children.

They will also be able to redesign the curriculum to make it more attractive to less-able pupils and more relevant to the world of work than the national curriculum based on academic subjects that have been largely unchanged since Victorian times.

If action-zone experiments are successful, they will be tried in schools across the country.

But it will not all be plain sailing. There are hints of different contracts for different teachers so that, as in many other jobs, the most talented and those prepared to work harder and longer may receive more. Expect angry protests from teacher unions.

The extra money expected to be available to the zones from business and the Government, £500,000 a year, will not go far once a chief executive or superhead has been paid, say £100,000, to run the 20 or so schools in a zone and each school has been given at least one superteacher.

Plans for private firms and educational consultants to play a role in running the zones may be successful. Equally, they may find that running schools requires different skills from running a company. Companies will also be able to take over some functions of failing local education authorities. "Virgins can't run railways and they certainly won't be able to run education services," said Graham Lane, chair of the Local Government Association's education committee.

The Bill reflects the Government's determination to root out educational failure. While the education action zones will have new freedoms, in other ways it is unashamedly centralising. The Secretary of State for Education is gaining powers to take over failing schools and failing local education authorities. He is insisting on quicker procedures for sacking teachers.

Yesterday, David Blunkett was unapologetic. In the past, he said, "central government carried responsibility without power. It deluded the electorate into believing that central government could deliver change without the mechanisms to deliver it. We are taking the necessary powers to ensure that people on the ground do their job."

After years in which bad schools have drifted on because local authorities were too feeble or disorganised to improve or close them, few will quarrel with the new power over local authorities. The insistence that teachers are sacked more quickly is equally necessary: recent research from Exeter University showed that it can take up to 12 years to sack a bad teacher.

The Bill marks an overdue return to the notion that schools need to be planned and an end to the last government's ideological conviction that the market would raise standards.

Because so much of what is proposed makes sense, the response of Conservatives and Liberal Democrats was muted. Don Foster, the Liberal Democrats' spokesman, pointed out that more money will almost certainly be needed.

William Hague, the Tory leader, who worried that the measures gave local authorities more power over grant-maintained schools, created by the last government, must know that the agenda has moved on. His party dropped its promise of a grammar school in every town after its own focus groups and canvassers discovered that voters were not interested. Instead, they wanted to talk about class sizes. Under the Bill, local authorities will have to draw up plans showing how they will provide smaller classes for five- to seven-year-olds.

A business-like approach that gets results

Prince Charles ventured into lessons at Winton primary school, tucked behind London's Kings Cross station, just as Crimson Class were singing the alphabet.

Letter of the week, he discovered, was 'S', which stood for salami, sandwich and snake. "If you eat snake you will die," offered Scott Shields, aged four.

"That's right," said his teacher.

"I've eaten a snake and I didn't die," said Charles, forgetting classroom protocol for a moment. "It tasted like chicken."

Snake controversy aside, the Prince of Wales was clearly enthused by the reading lesson, and borrowed a knee-high chair to talk more closely to the four- and five-year-olds.

The prince was visiting Winton, where pupils come from a mix of cultures and between them speak 26 languages, to discover how employees from major firms such as NatWest and Walkers are helping schools boost literacy standards by hearing children read.

His Business in the Community charity takes business leaders to visit the school as part of its "Seeing is Believing" tours aimed at encouraging firms to loan their employees' skills.

Winton, in an area of Islington best known for prostitution and drug problems yet only a brisk walk from the Prime Minister's former home, would meet with firm approval from a government intent on calling in help from the business world to help drive up educational standards.

The school has already received glowing reports from inspectors despite coping with a frequently fluctuating pupil population as families move into and out of the area.

The school standards authority, Ofsted noted that in maths and English pupils made "remarkable and substantial improvements from a position well below the national average to attainment which is now firmly in line with national averages".

The school won a Business in the Community "Aim High" award for raising reading ages through its reading programme run with NatWest staff, and head teacher Jane Fulford has a mentor from management consultants KPMG who shares expertise on staffing, planning and office management.

The Schools Standards and Framework Bill, published yesterday, will provide for a greater formal role for business in raising school standards.

— *Lucy Ward, Education Correspondent*

MAIN POINTS OF THE BILL

- Class sizes for five- to seven-year-olds to be kept to 30 or below. Local education authorities to draw up plans for smaller classes, and admissions rules to be changed to stop schools admitting more than the limit.
- Education action zones to raise standards in areas where schools are struggling. Local authorities, businesses and others to apply to run the zones, with freedom to suspend the national curriculum and set their own rates of teachers' pay.
- LEAs to be obliged to help raise school standards, starting with a three-year 'education development plan' to be approved by the Secretary of State. Government to be able to intervene in failing authorities by removing control of education from LEA.
- Secretary of State to have powers to take control of persistently failing schools, with ultimate sanction of closure and reopening with new staff and site.
- Three new categories of school – community, foundation and voluntary – to be created.
- LEA committees to have parent members.
- All local authorities to have development plans for under-fives education.
- Schools must have written home-school agreement drawn up with parents.
- Independent adjudicator to sort out disputes over admissions arrangements.
- Local parents allowed ballot on future of individual grammar schools or (in wholly selective areas) whether selective system should continue.

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Woman admits to affair with boy of 14

The affair between a 33-year-old mother and a schoolboy caused outrage and sparked a manhunt on both sides of the Atlantic. *Kate Watson-Smyth* reports on Tracey Whalin's day in court on charges of abduction and gross indecency.

Mrs Whalin, married with three children, conducted a clandestine affair with the boy – who was then 13 – for a year before they ran away to the United States to start a new life together, a court heard yesterday. They were finally tracked down to a Florida hotel by the Federal Bureau of Investigation after a 10-day search and Mrs Whalin was taken to jail in shackles before being allowed to return to England to face charges six weeks later.

In Nottingham Crown Court yesterday she admitted gross indecency with the boy and pleaded guilty to two charges of indecent assault and abducting a child. The judge, Mr Justice Potts, put her on probation for two years on each count, to run concurrently, telling her that he was treating the case as exceptional.

"I fully recognise and give weight to the fact that at all times the boy was a willing and active participant in what went on," he said. "I also proceed on the basis that at all times you and he, to put it at its lowest, were extremely fond of each other. But even these matters cannot excuse the seriousness of what you did." He said that although no one would ever be certain, it appeared that the boy, who cannot be named for legal reasons, had suffered no long-term harm.

Earlier Gregory Dickinson, prosecuting, told the court that the couple's sexual relationship began when the boy became infatuated with the woman and confessed to sexual feelings which she then reciprocated. He said the relationship had progressed rapidly from kissing to full sexual intercourse and continued for more than a year, with the youngster as a "willing and enthusiastic partner".

The couple then planned to go to the US and "remain there indefinitely" he added. They flew to Florida on 15 July this year and spent several days travelling around before renting an apartment in the Florida Keys. They were found after the FBI traced a call the boy made to his mother in England.

James Chadwin QC, defending, said Mrs Whalin was the victim of an unhappy marriage. He said she had had a terrible time after being detained in the US: "She was in shackles in prison. She felt unable to eat she was so miserable and afraid ... There's little doubt she suffered already at that stage substantial punishment." He added that a number of her friends and members of the public had testified to her "excellent" ability as a mother.

Fugitive returned: Tracey Whalin, 33, arriving back in Britain last July Photograph: Tim Ockenden

Greenwich ranks 17th in world

Maritime Greenwich yesterday became the UK's 17th World Heritage Site, ranking it alongside the Taj Mahal, the Great Wall of China and Stonehenge. The decision, announced at a Unesco meeting in Naples, is a recognition of the unique qualities of an area by the Thames in south London that includes Sir Christopher Wren's Royal Naval Hospital, Inigo Jones's Queen's House, the *Cutty Sark* and Greenwich Park with the Old Royal Observatory.

Welcoming the accolade, Culture Secretary Chris Smith said the protection accorded such sites helped to "define what the word 'civilisation' means".

The listing brings no extra money but could assist conservationists in their fight to preserve a row of 18th century shops in the area which are threatened by a proposed retail complex.

— *Stephen Goodwin, Heritage Correspondent*

Super-resistant bugs on increase

New evidence of the growth of superbugs resistant to all known antibiotics has been found by scientists who have identified strains of a common bacterium that is able to evade the last line of defence against infection.

The bacterium, *Staphylococcus aureus*, can cause fatal disease and strains resistant to the antibiotic methicillin have been known since the 1970s. This left only vancomycin as the last antibiotic to which the organism was susceptible.

Earlier this year a vancomycin-resistant strain of *S aureus* was found in Japan which meant some infections with the organism might be untreatable. However, it was not clear how common such strains might be.

Now the researchers from Juntendo University, Tokyo, report a study of more than 1,000 strains of methicillin-resistant isolated from patients in 203 hospitals in Japan. Writing in the *Lancet*, they say they found no new strains that were completely resistant to vancomycin but they did find strains with variable resistance, where a proportion of the organisms within the strain were not susceptible to the antibiotic.

In their own Juntendo University hospital, vancomycin resistance was found in 20 per cent of the bacterial strains. They concluded: "There is a need for special precautions to limit the spread of [resistant] strains in Japan (and the world)."

In a commentary, Dr Soad Tabaqchali of St Bartholomew's Hospital, London, says affected patients should be isolated to prevent spread, and over-prescribing of antibiotics must be halted to prevent the further growth of resistance.

— *Jeremy Laurance, Health Editor*

Nazi gold talks inspire search for looted works of art

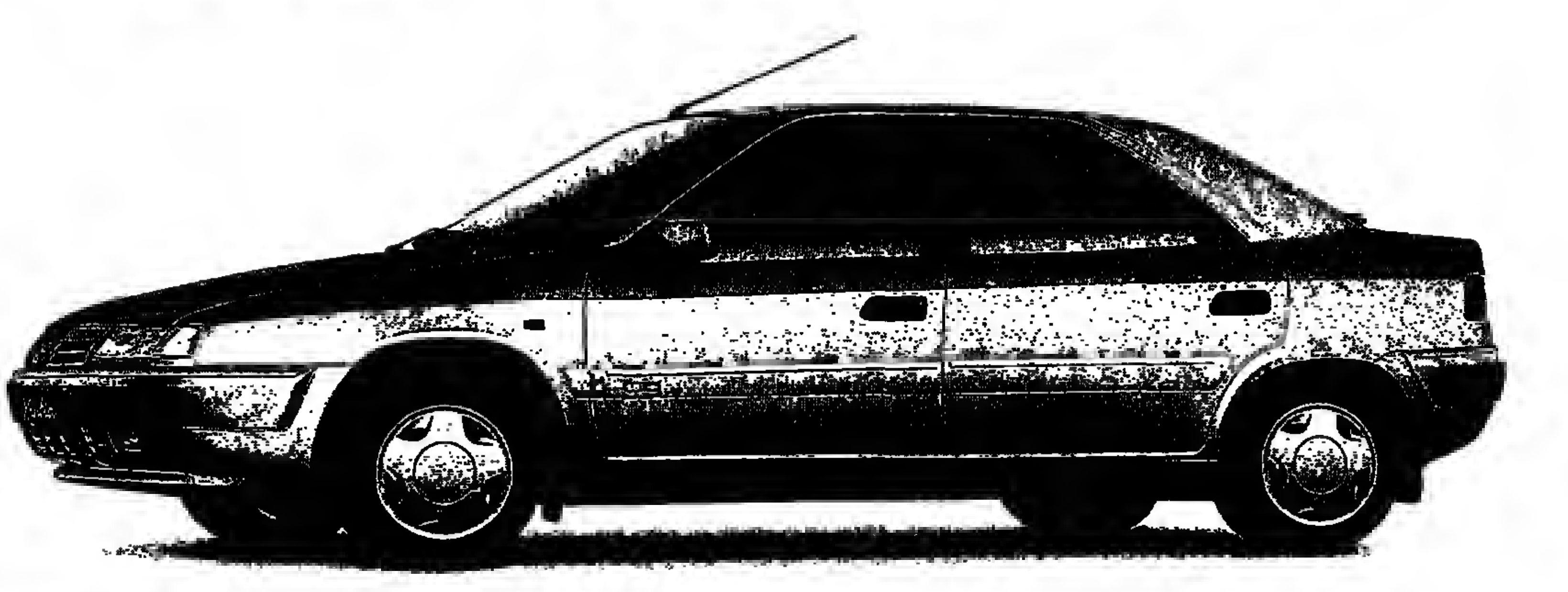
The London talks on Nazi gold, hosted by Robin Cook, Foreign Secretary, ended yesterday with a pledge for a follow-up meeting. Stuart Eizenstat, US Under-Secretary of State, announced plans to examine the question of Nazi-looted art at a gathering in Washington next year.

But, he told 240 delegates from more than 40 countries, time was of the essence for the surviving victims of Nazism: "We must not enter a new millennium, when the issues of today will begin to be ancient history, without completing the work before us." A website is to be established for posting and updating archive material.

Several promises of assistance were made at the conference: Austria and Germany said they would seek missing Reichsbank records, and Degussa, the German company which smelted stolen goods for the Nazis, has agreed to allow World Jewish Congress officials to have access to its files.

More countries said they would contribute to the fund for Nazi victims launched by Mr Cook, who proposed that all 15 nations due to receive the last remaining gold recaptured from the Nazis under final World War Two settlements should donate it to help Holocaust victims, and that other countries might wish to help.

Louise Jury



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Opera House chief defiant as entire board agrees to go

The chairman and board of the Royal Opera House resigned yesterday following a damning Commons report. But the chief executive told *David Lister*, Arts News Editor, that she will be staying put.

Mary Allen refused last night to bow to the Commons committee's call that she should quit, as she saw her chairman, Lord Chadlington, and the entire board hand in their resignations.

Lord Chadlington, brother of the former Tory Cabinet minister John Gummer, said he was resigning as a matter of honour. The other directors tendered their resignations, but have been asked by the Secretary of State for Culture, Media and Sport, Chris Smith, to stay on while he reconstitutes the board.

Mr Smith is likely to ask key board members such as fund-raiser Vivien Duffield and Labour benefactor and publisher Bob Gavron to stay on. Mr Gavron may yet end up as the new chairman of the ROH.

Mrs Allen disclosed last night that she did offer to resign. But, she said, her offer was "emphatically and unanimously rejected by the board." She added that Mr Smith had told her at an afternoon meeting that it would be "disastrously destabilising" if she went, and that Covent Garden music director Bernard Haitink had also implored her to stay.

"It has been an appallingly upsetting few days," she said last night, "but I am staying. I offered my resignation because I thought it the proper thing to do, but it was rejected. The board is the only body empowered to require my resignation. I reject the criticisms of the select committee utterly and there is evidence that exonerates me totally."

Earlier this week, the Culture Select Committee, chaired by Gerald Kaufman MP, accused the ROH of incompetent management and called on the chairman, chief executive and board to resign. Yesterday Mr Kaufman hinted he was still not satisfied with two out of the three demands accomplished. He said: "Lord Chadlington has done the right thing. I take no pleasure in the fact that he has felt it appropriate to resign but I am sure that he has acted appropriately in doing so.

"The committee recommended that the remainder of the board and the chief executive should also resign, and we therefore await developments with interest."

Lord Chadlington told the board that he was resigning at an emergency meeting held at 8.30am yesterday. He had told friends just before the meeting that he was going "to do a Carrington".

This referred to Lord Carrington's decision to resign as Foreign Secretary from Margaret Thatcher's Conservative government over the Falklands War in 1982.

Lord Chadlington said yesterday: "When a public document criticises the management of a public body, I believe that it is right that the chairman resigns as a matter of honour. We must, in public life, show a lead, and that is what I am doing."

It is also believed that the board recognised that some sort of sacrifice must be made, and it is understood that no concerted attempt was made to stop Lord Chadlington going. the deputy chairman, Sir James Spooner, will be the acting chairman. The board gave Mary Allen "unanimous support" at its meeting yesterday.

Responding to yesterday's announcement, Mr Smith said: "The Royal Opera House board have come to this decision themselves; as an independent body. The absolute imperative ... is to maintain confidence in the Royal Opera House companies and in the redevelopment scheme. It is therefore welcome that the board has agreed to continue, to ensure stability, until a newly constituted board is in place.

"I join the Board of the Royal Opera House in paying tribute to the work of Lord Chadlington. He has sought to bring changes to the structure of the ROH. The new board will be able to build on this foundation."

The Culture Select Committee's report was withering in its condemnation of almost every person involved in the Royal Opera House crisis.

It demanded the Royal Opera House board dissolve itself and that Mary Allen resign, handing over control of the Opera House during its current £216m renovation to an administrator appointed by Mr Smith.

"We would prefer to see the House run by a philistine with the requisite financial acumen than by the succession of opera and ballet lovers who have brought a great and valuable institution to its knees," it said.

House of pain: Karita Mattila in *Elektra*, one of the last performances at the ROH before the venue's closure for a £78m renovation and improvement programme Photograph: Ben Christopher/Performing Arts Library

Eyre chosen for history of theatre

Sir Richard Eyre is to present a six-part history of the British theatre for the BBC in a move that continues the trend away from "young blondes" presenting arts programmes.

Sir Richard, former artistic director of the National Theatre, follows in the footsteps of Neil MacGregor, the director of the National Gallery who recently presented the *Making Masterpieces* series on painting for the BBC.

The use of art world professionals rather than photogenic television presenters reflects a commitment to "serious TV" made by BBC2 controller Mark Thompson in a speech to the television industry last week.

The Sir Richard Eyre series, *Changing Stages*, will be based on his personal view of the trends, major events and senior figures in the British theatre during this century. The programme will be made next year and will be broadcast in 1999. The producer, Andrea Miller, plans to make extensive use of film and sound archives to bring to life stage plays from throughout the century.

Sir Richard plans to look at how social and political trends of different eras were reflected in the theatre, from the Edwardian heyday of George Bernard Shaw and Lilian Bayliss, through the kitchen-sink drama period of John Osborne, to the present.

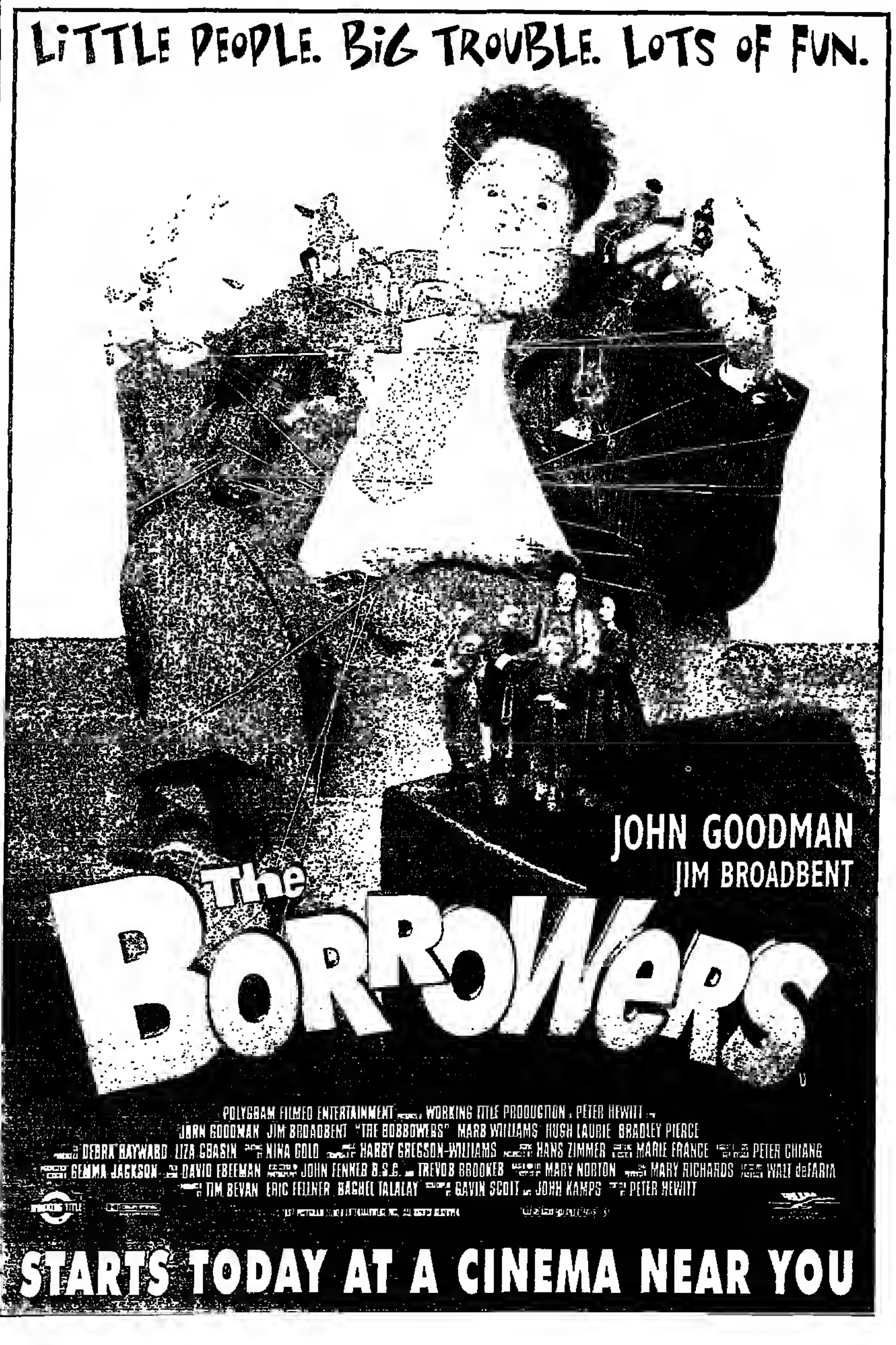
Mr Thompson is known to believe that a new approach is needed to arts programmes in the Nineties to move the genre on from shows like *The Late Show*.

He believes programmes like those, which were based on a structuralist approach to art, had a limited shelf life because "once you deconstruct something, it stays deconstructed", he said. Structuralist arts programmes presented by bright young things were, he believes, a one-trick game which too often sneered at art. Now he is looking for presenters with enthusiasm for their subjects.

Further proof of Mr Thompson's desire for heavyweight programmes regardless of their ratings potential is the commission of a series on existentialist intellectuals. The documentary strand, *Human All Too Human*, will cover Neitzsche, Heidegger and Sartre.

More accessible is *Watching the Detectives*, a series of tributes to great crime writers and their fictional creations. It is to be presented by Nigel Williams and will feature programmes presented in the style of Sherlock Holmes, Hercule Poirot, Philip Marlowe and Inspector Maigret.

— Paul McCann, Media Correspondent



Media gag on prisoners

The Court of Appeal yesterday backed the attempt by the Home Secretary, Jack Straw, to gag convicted prisoners from talking to the media. A test case means that while prisoners will still be able to write to journalists, they will be barred from face-to-face meetings except at the discretion of the authorities.

The decision is a major blow for those working on miscarriage of justice cases and undermines claims by ministers that they support more open government. Journalist Robert Woffinden, author of *Miscarriages of Justice*, who interviewed one of the prisoners involved in the test case, said: "I believe it is a very unfair restriction on prisoners and an absurd restriction on journalists."

A spokesman for the Prison Service said they were "very pleased" with the ruling, which returned the legal situation to its previous position.

In yesterday's case three appeal judges overturned the decision that the restrictions on convicted prisoners interfered with their freedom of expression under the European Convention on Human Rights. Lord Justice Kennedy said: "The loss of that 'right' ... is part and parcel of a sentence of imprisonment. He can no longer go where he wishes. He is confined."

— *Michael Streeter*
Legal Affairs Correspondent

Stage craft: Six-year-olds from the Claire Severs Dance Academy in Hampstead, north London, rehearsing in a church hall for their Christmas performance of *Mary Poppins*, to be held at Parliament Hill Girls' School this Sunday Photograph: Laurie Lewis

Pathfinder shows Mars was rich in water

Mars probably had abundant water in its long-distant past, according to American scientists who today present the first formal results from the Mars Pathfinder mission. The planet is also more Earth-like than had been thought, with a crust made from a wide variety of materials, and geologically active areas.

Although the batteries on the Pathfinder lander, which arrived on the planet on 4 July, have now run down, they managed to transmit back huge amounts of data about the atmosphere and the rocks around the landing site. There, the scattered, rounded pebbles and cobbles implied it was once a "water-rich" environment.

Writing today in the journal *Science*, a team led by Matthew Golombek, of Nasa's Jet Propulsion Laboratory in Pasadena, California, noted that some of these pebbles could have been liberated by larger sedimentary rocks called conglomerates. This suggested that water existed elsewhere and earlier than in the flood believed to have carved out the valley where Pathfinder landed.

The finding is helpful for Nasa scientists who have maintained that a Mars meteorite shows evidence of past microbial life – a claim that has not been backed by other independent scientists. If Mars once had plentiful water, it could have provided the basis for life.

— *Charles Arthur*
Science Editor

Virgin must pay up for fares blunder

Virgin Trains tried raising the price of some of its cheap 'walk-on' fares by six times the rate of inflation earlier this year. *Randeep Ramesh*, Transport Correspondent, explains why the price hike has meant Richard Branson will have to hand back £24,000 to his passengers.

Travellers on the Virgin network have a choice of two fare scales. The first involves a change of trains in London and the second takes them around the Capital on a "through train". The second option was always cheaper than the first – until June, when Virgin raised the price of its "through" fares by 15 per cent, making it the pricier option.

However, ticket clerks did not realise the extent of the price hike and continued selling the "through" tickets to passengers as the "cheapest fare".

The price rise angered rail pressure groups and following a campaign in *The Independent*, the rail regulator has acted.

In a letter, John Rhodes, passenger service director at the Office of the Rail Regulator (ORR), wrote: "any instances of mis-selling of tickets is a serious matter and I have obtained an assurance from Virgin that passengers who have been overcharged will be compensated."

ORR confirmed that more than 2,000 tickets had been mis-sold. The average "excess charge" for each ticket is about £12 – leaving Virgin with a estimated bill of £24,000.

"We are in talks with Virgin at the moment about how to compensate passengers," said an ORR spokesman.

Barry Doe, the transport consultant who unearthed the mis-selling, said: "It would be wrong to blame the clerks because Virgin management failed to spot this error."

The problem for Virgin and the regulator is it will be difficult for passengers to prove that they were sold the wrong tickets. One suggestion would be to give a sizeable sum to charity and still compensate those passengers with "genuine claims".

"We would consider some sort of charitable donation as a good will gesture," said John Morris, public relations manager for Virgin Trains. Sources within Virgin suggested a contribution to the Diana, Princess of Wales memorial fund.

The company has backtracked since *The Independent* first raised the issue. In September, the chief executive of Virgin Trains wrote a letter to the editor, which was published, saying: "We normally respect Randeep Ramesh's reporting of the transport industry but on this occasion he's gone off the rails."

Pressure groups welcomed the decision to make Virgin pay. "It is good to see that in response to vigorous representations the regulator will now force Virgin to make good on its mistake," said Jonathan Bray, director of Save Our Railways.

● Hundreds of passengers were evacuated from a train yesterday after a fire broke out in one of the locomotives.

The travellers were all taken off the Virgin West Coast service and put on to another train at Wembley Central Station, in north-west London.

DAILY POEM

Inversnaid

By Gerard Manley Hopkins

This dárksome búrn, hórseback brówn,
His rollrock highroad roaring down,
In coop and in comb the fleece of his foam
Flutes and low to the lake falls home.

A windpuff-bónnet of fáwn-fróth
Turns and twindles over the broth
Of a pool so pitchblack, féll-frówning,
It rounds and rounds Despair to drowning.

Degged with dew, dappled with dew
Are the groins of the braes that the brook treads through,
Wiry heathpacks, flitches of fern,
And the beadbonny ash that sits over the burn.

What would the world be, once bereft
Of wet and of wildness? Let them be left,
O let them be left, wildness and wet;
Long live the weeds and the wilderness yet.

"Inversnaid" completes our selection from the seventh edition of *Poems on the Underground*, edited by Gerard Benson, Judith Chernaik and Cicely Herbert (Cassell, £12.99).

Currys

UP TO £100 CHEQUEBACK▲ WITH cellnet

PANASONIC
Digital Mobile Phone
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Why a baby born in the South will live 6 years longer

Cambridge is the healthiest place to live in England, and Manchester is the country's death capital. *Jeremy Laurance*, Health Editor, examines a study which shows that differences in life expectancy are widening.

A boy born today in Cambridge can expect to live to the age of 76 years and seven months - six years and eight months longer than a boy born in Manchester.

The gap between the healthiest and least healthy parts of Britain is now so wide that closing it would dwarf all other efforts to improve health. Even if all cancer was cured tomorrow, the gain in life expectancy would be just three years.

The first study comparing life expectancy in all 105 health authority districts of England, published today in the *Journal of Epidemiology and Community Health*, shows that the gap has widened over the last 10 years. Affluent districts with the longest-lived people in the Eighties have gained almost three times more years than the poorest districts.

In the leafy home counties of Surrey and Hampshire, life expectancy has risen 2.8 years while in inner-city Manchester and Liverpool it has increased by only one year. Men in inner Manchester and Liverpool have shown almost no improvement.

The study, by Veena Soni Raleigh and Victor Kiri of the National Institute of Epidemiology at the University of Surrey, ranked the districts from one to seven according to how deprived they were using a measure known as the Jarman index, based on unemployment rates, number of one-parent families, elderly living alone, and so on.

As expected, the findings showed a strong association between life expectancy and the deprivation score. The five districts with the greatest deprivation (ranked seven) – in Manchester, Liverpool and three in inner London – also had the lowest life expectancy. Ms Soni Raleigh said: "That is a telling point. Life expectancy in the most deprived areas is still below what it was in the most affluent areas 10 years ago."

Living in the most deprived areas takes four years off your life, on average, for a man and two and a half years for a woman compared with living in the most affluent (ranked one).

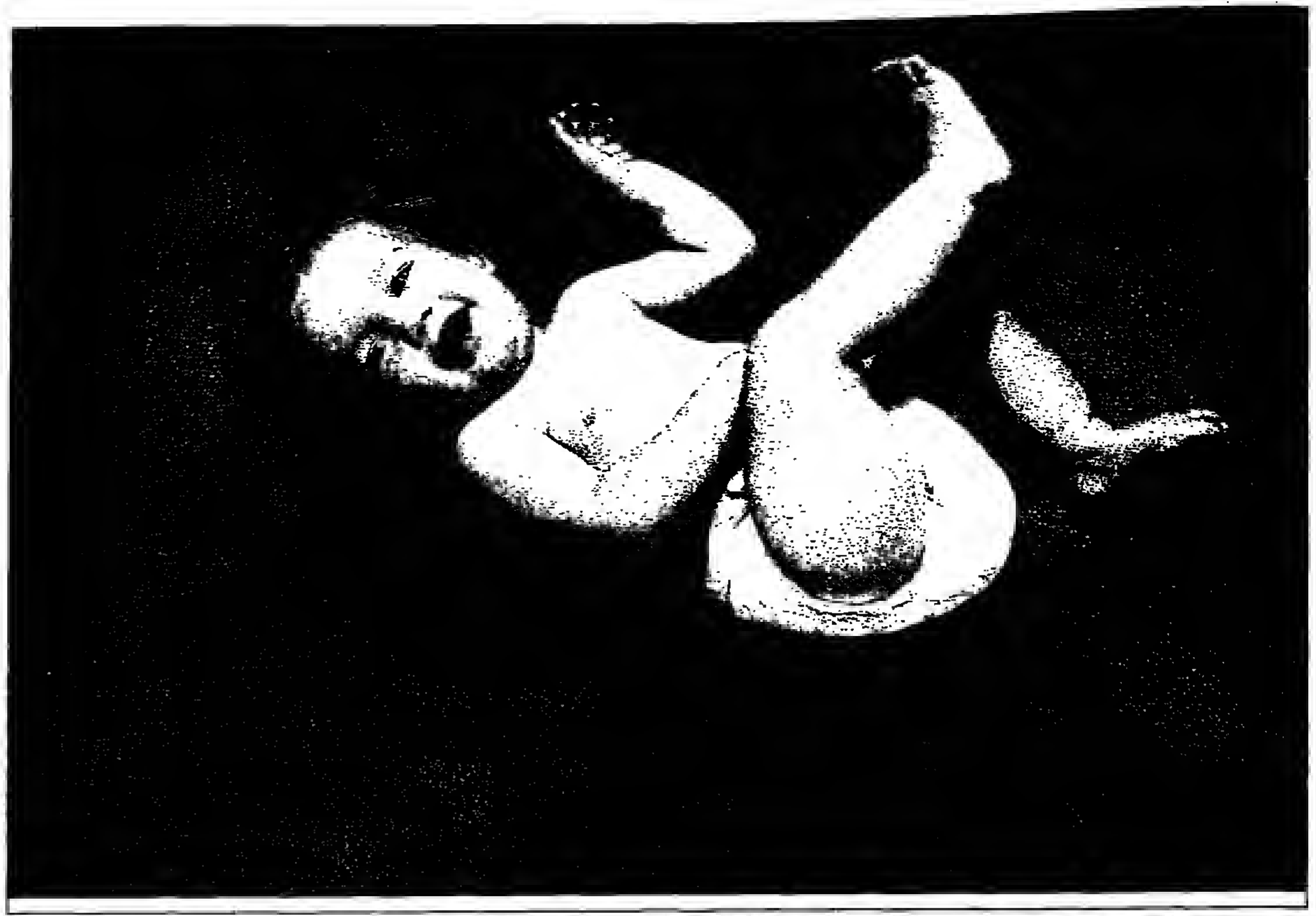
In all areas women live longer than men, but the gender gap is widest in deprived areas. Women in inner London, Manchester and Liverpool live an extra seven years compared with four and a half in Cambridge and Surrey. Although gender differences are narrowing overall, in the most deprived areas they have hardly changed.

Dr Richard Smith, editor of the *British Medical Journal* and publisher of the *Journal of Epidemiology*, said the findings illustrated the scale of the problem facing the Government which is committed to reducing health inequalities. Measures to improve the health of children and the new born – including nutrition in pregnancy, stopping mothers smoking and pre-school education – were likely to have the greatest effect. "We have got the ship going in the wrong direction. To turn it round will be a long-term job," he said.

US DISPARITY

A man living in Washington DC, the capital of the richest country in the world, has a life expectancy of only 62 years, barely higher than if he lived in many Third World countries. But a man living less than 20 miles away, in Virginia's prosperous Fairfax County, can expect to live more than 15 years longer.

This is one of the preliminary findings of a study being conducted jointly by the Harvard School of Public Health in Boston and the Centers for Disease Control and Prevention in Atlanta. It notes that the disparity between the best and worst life expectancy has been growing, with the lowest 2 per cent registering no increase since 1980. The income gap has also widened over the same period.



Life chances: As the gap between the healthiest and the least healthy areas widens, affluent districts gain years of life Photograph: David Swanborough

Care in old age to be funded by insurance

A Royal Commission on the long term care for the elderly was announced yesterday by Frank Dobson, the Secretary of State for Health, with a clear signal that it is likely to recommend that everyone should pay something towards their own long term care in old age through insurance.

Mr Dobson told MPs he had asked the Royal Commission chaired by Sir Stewart Sutherland, principal and vice-chancellor of Edinburgh University, to report back within 12 months on ways of dealing with the problem of paying for means-tested long-term care.

"As far as where the funding should come from, the matter is open," he said. "It seems to me fairly likely that in the end there will be a proposition that some of the funding should be by the individual and some by the taxpayer. I am not telling them to come to that conclusion but I will be amazed if they don't."

Des Le Grys, chairman of the continuing care conference, an umbrella organisation for carers and insurers, said private insurance was likely to be recommended with public sector support.

He said it was unlikely the Royal Commission would revive the Tory government's plans for insurance to cover the asset value of people's houses, but a new insurance scheme would need policing. Help the Aged said the commission needed to end the confusion facing the elderly.

The 300,000 elderly in homes have to pay their own bills for long-term care if they have assets worth more than £10,000. Mr Dobson confirmed a White Paper next year will set standards for domiciliary care.

A draft Tory Bill would have allowed the means test to disregard assets worth £1.50 for every £1 covered by insurance, but it fell with the Tory government at the last election.

The Liberal Democrat spokesman on health, Simon Hughes, was assured by Mr Dobson the commission would look into the quality of care in old people's homes.

Members of the commission will include: Claire Rayner, the broadcaster; David Lipsey, political editor of the *Economist*; Sir Nicholas Goodison, former chairman of the Stock Exchange; and a number of medical experts, but it does not include the lobby groups.

— Colin Brown, Chief Political Correspondent

NHS bill may put £20 on car premiums

Car insurance premiums could rise by an average of £20 after the announcement by Frank Dobson, the Secretary of State for Health, that hospitals are to use their right to charge insurance companies for treating accident victims.

Mr Dobson ordered all NHS trusts to use their existing powers to charge insurance companies up to £2,949 for in-patients and £295 for out-patients for treatment after road traffic accidents.

Confirming a report in yesterday's *Independent*, Mr Dobson said the Government would introduce legislation when it had Parliamentary time to put the onus on insurers to make the payments.

The Government estimates the move could save the NHS £100m but some insurers estimated it could raise the cost of an average annual premium by £20 to £370.

The NHS trusts will be asked to identify cases where they have treated traffic accident victims and where somebody else seems likely to have caused the accident; find out whether those patients are claiming compensation; discover who the insurers are; and lodge claims.

Mr Dobson told the trusts that they should pursue their claims "vigorously" and should not be put off by the paper chase, which had stopped many from using their powers.

Tories retreat from pledge on Europe

The Conservatives have performed a complete U-turn on their call for a referendum to be held on the Treaty of Amsterdam. *Anthony Bevins,* **Political Editor, watched the move in the Commons last night**

William Hague and Michael Howard, Tory spokesman, are refusing to pick up a backbench Tory amendment to the legislation on the Amsterdam treaty, calling for the electorate to be given a referendum.

The Independent has been told that the party leadership is now embarrassed by Mr Hague's first major speech as party leader, last June, when he told Scots Tories in Perth that the public deserved a voice on the treaty that Tony Blair had agreed earlier that month, soon after the election.

Mr Hague said Labour was a rootless party, without principles, and he pledged that he would not be ditching his beliefs at the behest of focus groups.

In the same speech, Mr Hague said Amsterdam was a bad treaty, "Bad for Europe and bad for Britain", and as Labour was so keen on referendums, he invited them to stage another: "Let's have a referendum on the Amsterdam treaty."

But Tory Euro-sceptics have noted that since the Commons opened its examination of the European Communities (Amendment) Bill, enacting Amsterdam, Tory spokesmen have been muted. More obviously, however, a backbench amendment offering the people referendum on the treaty did not attract support of the frontbench.

Signed by four of the Tory backbenchers who had the party whip withdrawn from them in the last Parliament – Richard Shepherd, Sir Teddy Taylor, Teresa Gorman and Christopher Gill, along with two "new boys" John Bercow and Julian Lewis – it is not known when the amendment will come up for debate and vote.

Last night, opening a Commons debate on Europe, Robin Cook, the Foreign Secretary, mocked the Tory stance, saying that even Mr Howard now seemed uncertain of popular support for his line on Europe.

"He has not once asked me to put the Amsterdam Treaty to a vote of the people in a referendum," Mr Cook said to Labour laughter.

However, he pointed out that Mr Howard had now been rescued by the courage and vigour of his own backbench colleagues, with their amendment to the legislation.

Later, Mr Cook directly challenged Mr Howard, asking whether he would be recommending a vote for the backbench amendment - but Mr Howard completely ducked the question and dissociated the front bench from its previous policy saying : "It is the Government that is so besotted with referendums. If the Government is so keen on referendums....then we certainly say that the logic of the government position is that it should have one on Amsterdam."

Italy backs British entry to euro club

Tony Blair could win the battle for British entry to the élite club of EU countries planning the single European currency, in spite of the rebuff this week for Gordon Brown.

The Prime Minister will launch Britain's presidency at Waterloo International station today with renewed hopes of Britain gaining entry to the euro-x committee which will have control over the planning for the single currency.

The Independent has learned that Romano Prodi, the Italian Prime Minister, told Tony Blair at a private meeting in Downing Street on Wednesday that Italy will support Britain's bid for membership of the élite club, which includes Italy, France and Germany, at the Luxembourg summit.

The offer made by Mr Prodi, who will be at today's ceremony, has raised hopes in Whitehall that Mr Blair will be able to pull off a deal at the summit next week.

France and Germany are opposed to British membership, but Mr Prodi told the Prime Minister that he believed it was possible to reach a deal at Luxembourg with Britain becoming a non-voting member with "observer" status. Downing Street said the meeting was routine, but it could prove to be highly significant in the build-up to the summit.

Italy's support will be seen as part of a long-term strategy to protect its position in Europe by forging alliances with Britain.

Britain is anxious to be included in the committee to retain its influence over the creation of the euro, and in making sure the terms for entry are observed by other states.

Colin Brown,
Chief Political Correspondent

Adams and McGuinness to take their Commons fight to Strasbourg

Locked out: Gerry Adams and Martin McGuinness after their meeting with the Speaker Photograph: David Rose

Sinn Fein's two MPs plan to take their case to be granted the use of House of Commons facilities to the European Court of Human Rights, after a second ruling by the Speaker that they should be excluded.

Gerry Adams and Martin McGuinness, who were elected in May for West Belfast and Mid-Ulster said they did not intend to take their seats or speak in the chamber and so would not need to take the Oath of Allegiance to the Crown. But after a half-hour meeting with Betty Boothroyd yesterday, they emerged to say they had been rebuffed again, as they had been in May.

Mr Adams said the decision showed that Irish republicans were still treated as second-class citizens in Westminster.

"There is a case going to Europe and that will proceed," he said. "The ruling by the Speaker was discriminatory, it was quite unjust and very unfair and it needs to be redressed."

Later, Ms Boothroyd issued a statement in which she said she had no choice but to exclude the two men. They were asking for "associate status" in the House and no such status existed, she said. The two men would continue to be entitled to free stationery with which to answer constituents' queries and would have access to ministers in the same way as other MPs.

"Swearing the Oath – or affirming – is a legal requirement that can not be set aside by administrative action. Primary legislation would be needed to change the Parliamentary Oaths Act or the form of the oath. It is your refusal to swear or affirm that prevents you taking your seats - not any action by me," she told the MPs.

Harry Barnes, MP for North East Derbyshire, said the oath should simply affirm that a members' duties would be faithfully discharged.

— *Fran Abrams,*
Political Correspondent

European farmers wait for epidemic to strike

Britain keeps introducing new measures against BSE – but the focus should really be on the Continent, where a growing number of countries are reporting cases of the disease. Scientists also suspect that worse is to come. *Charles Arthur*, Science Editor, investigates.

Franz Fischler, the EU Farm Commissioner, made no bones about it yesterday: "The risks from beef, though small, are greater in Britain than elsewhere." But is that unequivocally correct?

As the epidemic tails off in the UK, the number of cases reported in other European countries continues to rise - and with it are suspicions that some farmers there are purposely not reporting cases. Although about 350 have been reported from Continental EU members, statistical analysis suggests there should have been 1,700 cattle with the disease. "There's more infection in other countries - they're at the beginning of their epidemic rather than the tail end," said Dr Stephen Dealler, an independent expert on BSE and its spread.

Many other countries in the EU have begun to report cases of BSE. Last month, Luxembourg reported its first case, one of 15 indigenous cattle: the disease was blamed by the government on infected feed imported from Belgium - which has never admitted having any BSE cases.

Portugal, Germany, France, Ireland, the Netherlands, Poland, Switzerland, Italy and Denmark have all reported cases - though the total numbers range from one (in Denmark) to more than 200 both in Ireland and Switzerland. The cause is frequently blamed on animals imported from other countries - especially the UK and Switzerland. On this basis, Germany claims never to have had an "indigenous" case of BSE.

Work by a Dutch researcher, published in the *Veterinary Record*, also suggests many countries are under-reporting BSE cases. By analysing the age of cattle exported from Britain, he estimated that Ireland alone - which has reported 218 cases in all - should have had 1,000.

It also suggests that those countries could be at the start of their own BSE epidemics, as cattle incubating the disease are rendered in meat and bone meal which is then fed back to younger cattle - giving them time to develop full-blown BSE.

Furthermore, countries do not yet remove offal - known to be the most infectious parts of BSE-infected cows - in their slaughterhouses, though that should come into effect from 1 January. Nor do they exclude cattle over 30 months old from the food supply, as happens in the UK.

Britain is still, though, the BSE capital of the world. So far this year there have been 2,898 confirmed cases of "mad-cow disease" in the UK, according to the Ministry of Agriculture, Fisheries and Food; the total since 1987 is 169,472, and the epidemic is not expected to end here before 2001. Only Switzerland comes close - but is a long way off, with 35 cases so far this year, bringing its total since 1990 to 265.

However, if beef muscle does contain the BSE agent, it must be in concentrations hundreds or thousands of times lower than in the spinal or brain tissue. That means that until the regulations removing the spinal cord come into power across Europe, beef from the Continent is potentially more infectious than that in the UK.

Blood money: A butcher pricing beef yesterday at the Smithfield meat market, London Photograph: Kalpesh Lathigra

DANGEROUS LIVING

How dangerous is a T-bone steak? If you drive to a restaurant with a new friend, eat a steak (on the bone), walk home, climb the stairs, have unprotected sex, then have a cigarette, which was the most risky? On the basis of the latest fatality statistics and behavioural surveys, this is how dangerous certain activities were in Britain last year.

There was one death from new-variant CJD per 200,000 whole cows consumed; one death of a driver or passenger per 15 million car journeys; one death of a pedestrian per 200 million roads crossed; one fatal fall per 500 million staircases climbed; one death from Aids for 3 million acts of unsafe sex; one death from lung cancer per 2 million cigarettes smoked.

On these figures, the risk from beef seems very small – about one death per 30 million half-pound portions. Steak is twice as safe as getting into a car and 15 times safer than one cigarette. Yet the risk is still unquantifiable, which is why the Government dares not say "Let them eat steak".

But there is one more figure: In the last two years, there have been 22 deaths from vCJD and 13 deaths from CJD that occurred as a result of a medical procedure. You are more likely to catch CJD from your doctor than a cow.

Britain ignores £100m EU aid

The Government was accused yesterday of refusing to claim more than £100m in EU aid. *Katherine Butler* in Brussels says the money was earmarked specifically for British farmers following the rise in the value of sterling.

The European Commission said that the Minister of Agriculture, Fisheries and Food, Jack Cunningham, was contributing to the growing beef crisis by failing to apply for money allocated to ease the plight of British farmers.

The accusation was levelled at the Government as it emerged that 120 New Zealanders may have been given a blood product derived from a plasma pool whose donors included a Briton who later died from the "new variant" Creutzfeldt-Jakob disease (v-CJD). New Zealand's chief medical officer, Colin Feek, said yesterday that the blood product was being recalled as a precautionary measure.

The farmers have complained at the absence of compensation for loss of income arising both from the collapse in the beef market but also from the rise in the value of sterling against other European Union currencies.

Brussels assessed the problem first in June then in August and evaluated the loss suffered by British farmers at £200m. The commission then offered to pay half of this amount. Four months later, there has been still no move to take up the money according to baffled commission officials.

A spokesman for the agriculture commissioner, Franz Fischler, said that the payments came cost-free because there was no obligation on the Government to pay the same amount in compensation. Most EU funding has to be "matched" pound for pound by national authorities.

EU sources privately speculated that Britain's reluctance to apply for the aid was related to fears that the United Kingdom's annual budget rebate would be reduced as a result.

The transport commissioner, Neil Kinnock, meanwhile met a deputation of Irish farm leaders in Brussels and assured them he would take whatever steps available to the commission to keep the beef trade flowing.

As efforts were made to trace the New Zealanders who may have been given infected blood, a New Zealand Ministry of Health spokeswoman said the risk of developing the disease from receiving the blood product was "very low to zero", but added: "The product is being recalled because it contains a small amount of human albumin [a protein] which is now known to have been prepared from a large blood donation pool that included one donor from Britain who later developed the new variant CJD disease."

Anger spreads as protesters rally to the Welsh cause

As the Government came under increasing pressure yesterday to resolve the Welsh farmers' dispute, the campaign spread to English ports. *Tony Heath* found the ban on sales of beef on the bone fuelling the anger.

Farmers in the south-east were last night expected to converge on Dover as their anger at the ban oo sales of beef on bone escalated.

In Wales, nearly 200 vehicles, ranging from muckspreaders and tractors to cattle trucks and 4x4s, paraded through Abergavenny bringing the Monmouthshire market town to a standstill.

Haulage companies whose business is also affected sent vehicles to join the protest which was carefully orchestrated and policed.

Farmers from Herefordshire joined their Welsh counterparts. Hastily produced posters carried messages ranging from "I thought we won the war," to "Let's fillet the EU and turn our rump on them."

Messages of support were on display at a firm of solicitors alongside a legal poster urging people to make their will – something that may have prompted one vehicle's poster complaining: "We are a dying breed."

Leaflets handed out to shoppers asked: "Would you be happy if your incomes were reduced to betweeo 50 and 75 per cent?"

Philip Bromwell, who with his wife Gillian travelled 20 miles from their farm at Grosmoot, a village astride Offa's Dyke, said: "My cows now fetch 50 per cent less than they did a year ago. We are protesting because we have been driven to extreme action because the Government are killing our industry."

Trevor Beavan has reduced his herd of cattle from 150 to 70. That was a measure of the problems on his 1,100 acre holding at Llandetherien, a couple of miles outside the town. "There was no way I could have survived otherwise," he said.

The overnight demonstrations at Welsh ports, which preceded the Abergavenny cavalcade, involved more than 2,000 protesters at Holyhead, 700 at Fishguard and 400 at Pembroke Dock. A reported nine vehicles were forced to return to Ireland – including one carrying dairy products.

There were signs that the bonds between the Celtic nations were beginning to fray as Irish truckers expressed concern at the threat to their own livelihood.

Jimmy Quinn of the Irish Road Haulage Association called on consumers in the Republic to boycott British produce. He expressed disappointment at an alleged failure of policing and declared: "The survival of a major Irish industry is at stake."

North Wales Police, which covers Holyhead, said they were trying to ensure safe passage for everyone. The Dyfed-Powys force, which polices Fishguard and Pembroke Dock, said it was a questioo of solving problems and tryiog to balance the rights of everyone involved.

"We have been very successful in facilitating dialogue," a spokesman said.

Leaders of the National Farmers' Union and the Farmers' Union of Wales appealed for restraint. Sir David Naish, NFU president, said in a message to Welsh farmers: "Peaceful presentation of our case to the public is helpful, but do keep within the law."

After meeting the Secretary of State for Wales, Ron Davies, the FUW president Bob Parry said he would attempt to dissuade his members from further demonstrations.

The ability of the unions' leadership to control events remains unclear. Permanent pickets are being set up at the ports. Earlier this week, one irate Irish driver held up at Fishguard told protesting farmers: "Why don't you go and picket Downing Street."

It may yet come to that.

Traffic signal: Members of the Gwent Farmers Action group en route to a protest meeting yesterday in Abergavenny Photograph: Rob Stratton

Irish demand right to free trade

The Prime Minister was last night under pressure from Dnblio and Brussels to bring about an immediate end to farmers' disruption of Irish exports into Britain.

After angry attacks in the Dail on the failure of British authorities to control the situation at ports from Wales to Scotland, Mr Blair was contacted directly by the Taoiseach, Bertie Ahern, to press for an end to the blockade preventing movement of Irish meat through ports, which yesterday also began to affect consignments of dairy produce.

Mr Ahern's was one of a number of Irish initiatives also involving four European Commissioners. Talks also took place in Loodon yesterday between the Irish agriculture minister, Joe Walsh, and his British counterpart, Jack Cunningham.

In the Dail, Labour leader Ruairi Quinn said the port incidents were "a flagrant breach of internatiooal law", accusing police of "facilitating the mob in deciding which trucks would get through and which would not".

He demanded a compensation claim against British authorities come from the Irish Government itself, and not be left to private individuals. The British Ambassador should be summoned to hear the Irish complaints, Mr Quinn said.

Fine Gael leader John Bruton said Irish exporters were being denied the right to trade by a mob. He said "a strong united front" had to be presented by Dublin in defence of the rule of law, "something which we had expected would be enforced by Britain".

After Irish complaints to the agriculture secretary in London had failed to stop the blockade for a fourth night, Mr Ahern told the Dail it was time for Dr Cunningham "to put his good words into action".

He confirmed Dublin was exerting pressure on the EU Transport Commissioner, the former Labour Party leader Neil Kinnock, to put pressure on his British Labour colleagues.

The Taoiseach pledged his support in efforts to secure compensation from London.

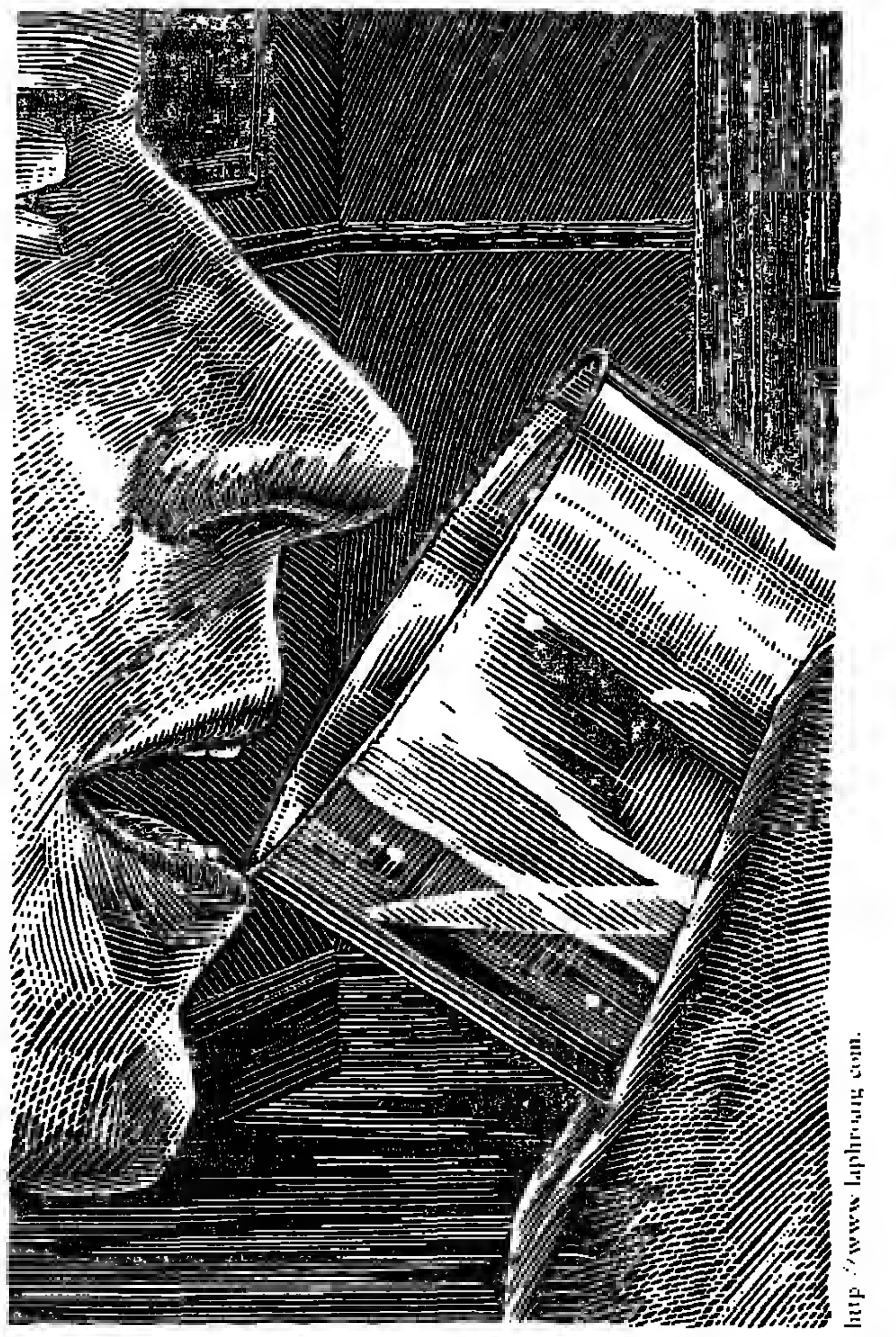
The president of the Irish Farmers' Association, John Donnelly, met Mr Kinnock and urged the right of access to British markets be protected. Earlier, after contacts with three other commissioners, he was given assurances that the commission was reminding Britain of its treaty obligations.

Mr Donnelly said: "We're part of the single market. We're entitled to get our product to the market place.

"It is disgraceful that the British police stand aside and allow those farmers to inspect what is on Irish trucks and then decide to turn them back."

He added: "We are not responsible for the problems Welsh farmers bave with their own Governmeot. It's about time they took (London) on and not be taking on Irish beef farmers who also have a very serious income problem."

— *Alan Murdoch, Dublin*



Fires expose Australia's dirty record

Bushfires are racing across south-eastern Australia, threatening towns and suburbs. *Robert Milliken* **in Sydney says the fires are also fuelling criticism of Australia's stand on global warming, which has left it isolated at the Kyoto conference on climate change.**

Inferno: Scotsman's Hill on the edge of Lithgow, west of Sydney. Yesterday, more than 150 fires were burning in New South Wales Photograph: Adam Pretty

After three days of fearsome fires, which have taken the lives of two fire-fighters, invaded the suburbs of southern Sydney and left more than 600,000 acres devastated, the authorities are preparing for a red alert today. The worst fires were blazing near Coonabarabran, in north-west New South Wales, the Hunter Valley, north of Sydney, and Lithgow, west of Sydney.

But many are asking if Australia is not getting a foretaste of more natural disasters, unless it changes its policy and helps to cut the emission of the greenhouse gases that contribute to global warming.

Fighting and surviving fires is embedded into the Australian psyche. But there is little doubt that Australia is experiencing such tragedies with growing regularity. Few people this year were prepared for a return of fires so soon after the last conflagrations in 1994, when the suburbs in bushland valleys close to the centre of Sydney went up in flames.

The last widespread fires before that were those of "Ash Wednesday" in 1983, when 76 people died in the states of Victoria and South Australia; in 1967, when 62 died in Tasmania and on "Black Friday" in 1937, which took 71 lives in Victoria.

This year, the fires began even before the official start of the Australian summer in December, getting under way last week during some of the hottest and driest November weather on record.

The conditions were caused in part by El Nino – the waether phenomenon caused by warm ocean currents in the east Pacific which is said to be responsible for the worst drought in memory in the highlands of Papua New Guinea.

But the fires are also being linked to wider fears about global warming that have brought 160 countries together in Kyoto this week in search of agreement on action. There, Australia faces diplomatic isolation.

While such a treaty would rely on binding targets to reduce emissions of greenhouse gases such as carbon dioxide, Australia, alone among the world's rich countries, is proposing to increase its emissions.

John Howard, the Prime Minister, has said Australia's greenhouse gas emissions are expected to increase by 18 per cent above 1990 levels by 2010. The European Union, by contrast, has proposed a 15 per cent cut.

Australia is already the world's sixth-highest emitter of carbon dioxide per capita, behind Canada, the United States, Kazakhstan, the United Arab Emirates and Singapore. It is one of the biggest emitters of methane, which is a consequence of the clearance of forests for farming.

Australia's stand has drawn criticism from Britain and furious attacks from several small Pacific island nations. They blame their big neighbour for contributing to rising sea levels that threaten to sink them. With a land mass the size of the United States, and a population of only 18 million, Australia argues that it should be a special case.

Its major exports are metals, minerals, food and chemicals, and their production involves intensive energy driven by greenhouse-producing fossil fuels such as coal; Australia uses no nuclear energy. The country maintains that, if it was forced to peg 2010 emissions at 1990 levels, 90,000 potential jobs and A$12 bn (£5bn) worth of investment could be lost.

Environmental critics say that a country as blessed with sunshine and empty spaces as Australia should be doing more to develop alternative energy sources, such as solar and wind power. They accuse Mr Howard's conservative coalition government of bowing to the fossil-fuel lobby.

Unless Australia changes this approach, more fires can be expected like those that have taken hold in tinder-dry conditions this week. Such fires become almost impossible to control when the temperature rises above 35C and humidity falls. According to a recent scientific report, the number of days in Australia per year when the temperature will rise above 35C is expected to double by 2070.

Greenhouse gases put heat on EU

The European Union came to Kyoto proud that it had the greenest stance in the industrialised world. Its negotiating position is that all developed countries should cut their annual "greenhouse gas" emissions by a thumping 15 per cent by 2010 compared with their 1990 level.

No one else comes close in terms of willingness to tackle the threat of catastrophic climate change. But yesterday the EU found its virtue under question and the host nation, Japan, was a leading questioner. Japan is even saying the EU should make deeper emission cuts than other nations. "We can't understand why the host country is leading this offensive," said Pierre Gramegna, Luxembourg's ambassador to Tokyo. Mr Gramegna said that there was no question of Europe agreeing to take deeper cuts in emissions than other major industrialised nations, such as the United States and Japan.

The issue is that while the EU as a whole is ready to deliver a 15 per cent cut, that will not apply to individual member states. Some poorer nations who produce well below the union's average emissions will be allowed big increases over the 20-year period – 40 per cent in the case of Portugal, the biggest gainer. Their gain will be made up by wealthier nations, notably Germany and the United Kingdom. Tiny Luxembourg, Europe's biggest climate polluter in per capita terms, stands ready to make a 30 per cent cut.

Other countries say this "sharing the pain" approach gives the EU states an unfair advantage. Toshiaki Tonabe, the senior Japanese negotiator and Tokyo's ambassador for global environmental affairs, said that in view of this, it was only fair that the EU took on "a higher degree of responsibility" in tackling climate change.

He compared Japan to France, which produce roughly the same quantity of greenhouse gas emissions per head. Under the EU proposal, France would only have to stabilise its emissions at the 1990 level by 2010. Why, then, should Japan have to make a 15 per cent cut?

— *Nicholas Schoon, Kyoto*

هكذا من الاصل

Pensioners march as China fails to pay its bills

Angry pensioners in a south-western Chinese city went on the march this week to demand their overdue money. *Teresa Poole* in Peking says workers and pensioners who are owed money by their factories are no longer accepting their plight sitting down.

The story of the pensioners at the Yibin Phosphate Fertilizer Factory in Sichuan province is repeated all the time in towns and cities from one end of China to the other. Sometimes the demonstrators are pensioners but more often they are workers owed their salaries or made redundant by state enterprises, half of which are losing money. In a country where cradle-to-grave welfare benefits were supposed to be provided by one's "*danwei*" (work unit), the new reality of market forces has left the workers feeling cheated.

On Wednesday, about 200 retired factory workers took to the streets of Yibin to complain that some of them had not received their meagre pensions for up to a year. Their factory stopped production some time ago, as a result of bad management and inefficient production lines. Attempts by the pensioners to contact factory managers and local officials proved fruitless, so they took to the streets.

A few days earlier, in the city of Zigong, in Sichuan, about 300 people went on strike at the No 2 Radio Factory, according to information received by the New York-based Human Rights in China. They were demonstrating over unpaid salaries and were joined by other state workers protesting about several other state factories being declared bankrupt.

This is the fruit of the Chinese government's pledge to sort out its ailing state sector by any means, be it privatisation, merger or closure. These recent two demonstrations were small; but in the past two years there have been cases when thousands took to the streets to protests.

The next stage of economic reform will be the most difficult, and fears of social unrest are at the forefront of China's leaders' minds. In some industrial cities in the north-east, real unemployment is probably running at up to 50 per cent. In the countryside, the situation is equally daunting; by 2000 the surplus labour force in rural areas will top 370 million, according to the well-informed *Outlook* magazine.

The government is caught in a vicious circle, and one made worse by the financial turmoil in countries such as South Korea, Thailand and Japan. Faced with the absolute priority of maintaining social order, Peking tends to react to workers' protests in the only way it knows – it tells the state banks to lend yet more money to the state enterprises so they can pay wages and pensions and alleviate the pressure.

That locks the banks further into debt. China's banking sector, which is state-owned, is insolvent, with around $200bn in non-performing loans that have little or no chance of being repaid. Sorting out the banking problem depends on sorting out the loss-making state enterprises, which in turns means axeing tens of millions of jobs.

Peking was counting on its buoyant economic growth and foreign investment to help mop up those lost workers. In fact, economic growth in 1998 is expected to fall to 8 per cent, still respectable but the lowest rate for eight years. Foreign investment is forecast to slump by one-quarter to $30bn, much less than China has grown accustomed to. For the leadership in Peking, 1998 will be a year of grim economic choices.

New trial for Palme suspect

Christer Pettersson, who was convicted of killing Prime Minister Olof Palme but released after the conviction was overturned, could face a new trial.

Prosecutor-General Klas Bergenstrand will file an application for a new trial today. The Supreme Court is expected to approve the application.

Palme was gunned down on a central Stockholm avenue in 1986 as he and his wife walked home, unguarded, from a cinema. Police have been widely criticised as responding slowly and with confusion.

Pettersson was convicted of the shooting in 1989 but the conviction was overturned by an appeal court on the grounds of insufficient evidence.

Soviets 'killed Wallenberg'

Russian Justice Minister Sergei Stepashin yesterday said it is likely that the Soviets killed the Swedish diplomat Raoul Wallenberg for his role in saving Jews in the Second World War.

"There were many agreements between Hitler and Stalin, especially on the issue of Jews," said Mr Stepashin, who accompanied President Boris Yeltsin on a three-day visit to Sweden which ended yesterday. "I believe that was the main reason why they killed him: he knew too much about Stalinism and fascism."

Wallenberg is credited with saving 20,000 Hungarian Jews from the Nazis. He was arrested by the Soviet Army and vanished in the Soviet gulag.

Socialists unite for bid to topple Kohl

Germany's Social Democrats ended their biannual conference on a high note yesterday by endorsing a modernist blueprint for the economy.

United at last by their desire to regain power after 16 years, delegates in Hanover were urged to harness the forces unleashed by globalisation. "We can decide whether we want to be the hammer or the anvil in the process of globalisation," said Gerhard Schröder, the SDP leader deemed to have the best chance to unseat Helmut Kohl.

His speech and the manifesto for innovation that he was proposing sought to distance the party from the dream world projected on the conference's first day by Oskar Lafontaine, champion of the left.

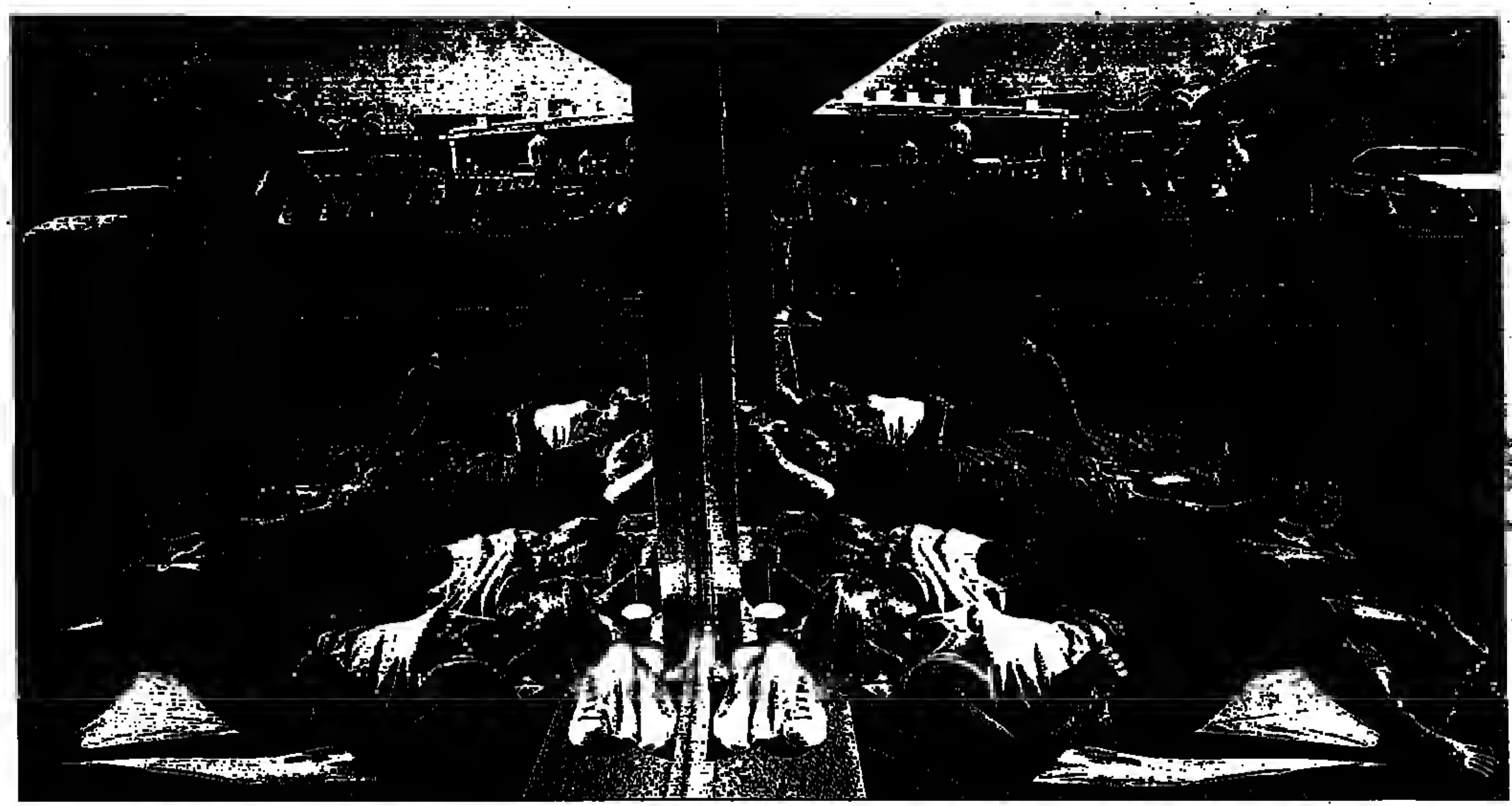
"I want us to stress the great opportunities of globalisation and to use them, not paralyse ourselves with constant lamenting," Mr Schröder declared bluntly. "Too much of politics in Germany is based on fear."

Mr Schröder urged German workers to stay in competition, even if it involved cutting wages. The "German model", he went on, was ripe for renewal.

Chancellor Kohl, he said, would like to claim the political middle ground. The party should not oblige him. "Our course is clear," Mr Schröder said. "We are going forward".

In yachting terms, that is true. After Mr Lafontaine's left turn on Tuesday, Mr Schröder's shift to the right yesterday regained the original course. The bitter divisions evident in the last congress two years ago were no longer visible this week. Forward they go, at least until next March or April, when a candidate to fight Mr Kohl must be chosen.

— *Imre Karacs, Bonn*



Waiting game: Tourists stranded at Ben-Gurion airport yesterday on the second day of Israel's nation-wide strike Photograph: David Silverman

Hippy escapes extradition

A French court yesterday refused to extradite a hippy leader convicted of murdering his girlfriend in Pennsylvania. Ira Einhorn, 57, who has been on the run since 1981, may still be deported to the US for entering, and staying in, France under a false passport.

An appeal court in Bordeaux dismissed the extradition request on the grounds that Einhorn had been tried in absentia in the US in 1993.

Einhorn, who was arrested in in June, appeared in the court in Angoulême in white beard, faded jeans and blue shirt. When the judgement was read out, he said simply: "Thank you".

He was a celebrated leader of the 1960s hippy movement and has denied murdering his girlfriend Hellen Maddux.

— *John Lichfield, Paris*

Jail raid frees Rwanda mass murderers

Militiamen have attacked a Rwandan jail, releasing fellow Hutus held for alleged genocide. *Amelia French* in Kigali says the government which came to power after the genocide fears it is succumbing to a bush army of killers.

The group of around 300 armed Hutus stormed a makeshift jail in central Rwanda on Wednesday in what appears to have been a well-planned attack.

At least 500 prisoners were freed and all of them escaped, along with the militiamen. The army said six civilians were also killed when militiamen attacked their homes in the same settlement; some of them had been macheted to death.

The prisoners who got away were – like the militiamen – all Hutus.

The dead are all believed to have been Tutsis. They were the survivors of the Hutu-inspired genocide that decimated the country's Tutsi minority in 1994.

Now it appears that the same men who killed up to a million Tutsis before their regime was overthrown three years ago are returning from the forests where they have been hiding to take revenge on the few who survived.

Since the return late last year of almost 2 million Hutu refugees from exile in surrounding countries, this tiny central African country has become a battlefield in an undeclared war between the Hutu rebels and the Tutsi-led government.

The jailbreak in Bulinga, in central Rwanda was the second of its kind in two days. According to the country's military, more than a hundred prisoners were sprung from a jail at Rwerere, in the north-west, almost exactly 24 hours earlier.

Since April this year, Hutu militiamen have stepped up their campaign of violence in the north-west, staging ambushes and attacking military targets, local officials, prisons and settlements which are home to those Tutsis who survived the genocide. The Rwandan government says it is no coincidence that the violence has increased simultaneously with the most recent mass repatriation of Hutu refugees from eastern Zaire.

They say many of the returnees are members of the former army or their militia allies, the so-called interhamwe, who led the 1994 killings. "Those in the jail have the same ideology as the militiamen," Richard Sezibera, a military spokesman, said yesterday.

The prisons are an easy target. With an estimated 120,000 Hutus awaiting trial for the carnage of 1994, virtually every district has had to hurriedly transform unused buildings into makeshift jails. Some have standing room only. Hygiene and sanitation are pitifully bad and disease is rife.

But many detainees seem to feel safer in than out. Many fear retribution from Tutsis in their home districts. There have even been reports of returnees asking to be let into the jails. Some are so ramshackle that anyone wanting to escape could do so easily, though they would risk being shot.

The lack of will to escape means that security has not been a serious problem. In addition, the number of jails and the conflict in the north-west means few soldiers can be spared to guard each one. So, when hundreds of armed men attack a prison, they meet little resistance. Those inside seize the opportunity to escape prison and justice. Once outside, they have little choice but to stick with the militiamen.

The spate of jailbreaks is bad news for Rwanda's army, which says it is already fighting an estimated 15,000 militiamen in the north-west. Although the army insists the militiamen are poorly armed, the soldiers appear to be flat out trying to deal with them. The prospect of ever increasing numbers of genocide suspects being released is an alarming one.

The attack in Bulinga, which was well south of the rebels' normal field of activity, is also a sign that the insurgency is spreading throughout the country.

The bodies of suspected Hutu guerrillas lying where they were shot by Rwandan troops at Bulinga Photograph: AP

UN to drop food by plane as thousands of Somalis flee rising floods

The United Nations World Food Programme is to begin air-dropping food for thousands of people trapped by rising flood waters in southern Somalia, the agency said yesterday.

A spokeswoman, Lyndsey Davies, said the drops would begin on Monday, following a weekend of public service announcements on the BBC's Somali language service, warning residents of the areas not to crowd around the drop zones.

"We have to ensure safety," Ms Davies said. "From experience with landing planes, we know people tend to crowd around food distributions, and this could cause security problems."

Somalia has had no central government since 1991, and the BBC Somali service often serves as a national radio.

A crowd at a food distribution centre in the southern coastal town of Kismayo, where tens of thousands are camped after fleeing their flooded homes, turned violent last week when the number of people who showed up far outnumbered the supply of relief food. One woman was killed.

Heavy rains that began in early October have inundated large portions of southern Somalia, causing the Juba and Shabelle Rivers to overflow their banks and adversely affecting a million people, according to aid agencies.

هكذا من الاصل

Italy's pupils enjoy thrill of class war

Two weeks ago a hundred pupils barricaded themselves into a high school in Rome to protest against education reforms. A few days later police stormed the building.

With angry pupils still plotting their next move it sounds like the beginning of a revolution, but, says *Andrew Gumbel*, in Italy's state school system it is simply par for the course.

The children who gathered outside the battered facade of the Liceo Mamiani yesterday were not in a mood to mess about. Still seething about the brutal end to their little experiment in educational self-rule, they were discussing their next move. Should they continue to boycott television chat shows? Should they keep trying to break back into the school, or push for a withdrawal of the large police van standing guard outside the main gate?

"We have the right to express ourselves and discover the individual within us. They can't stop us just because we are behaving out of the norms of ordinary behaviour," began one 16-year-old boy, before his comrades reminded him of their media blackout.

The youngsters were dressed mainly in black, grunge-style, with a definite preference for pierced noses and Palestinian keffiyehs. On one of the school's outer walls, someone had spray-painted: "Leave no room for the Fascists!"

It looked like 1968 all over again, and in a sense it was. The last time the police came to clear the anarchists out of the Liceo Mamiani was in that fateful year. But appearances can be deceptive: what looked like a full-scale youth rebellion was, in fact, little more than a well-worn ritual among Italy's disaffected teenagers.

The Mamiani has been occupied by its pupils at regular intervals for as long as anyone can remember. So, too, have a slew of other schools in the larger Italian cities. It is not the problem schools that are hit, but those used by the offspring of rich families who fancy themselves as left-wing.

The object of the exercise is not to rebel against the authority of the teachers. The point is to rebel for the sake of rebelling. What greater fun can there be than to tell your elders to get lost, hold dope-befuddled parties that last for days, organise student-run classes on such illuminating topics as Red Brigades terrorism and the redundancy of parents, and watch videos of *2001: A Space Odyssey* into the early hours?

To be fair, the most recent occupation of the Mamiani and 60 other schools was rooted in a genuine grievance: a government proposal to take some £60m in funding from the severely under-resourced state school system and give it to private schools, especially religious ones.

But this noble cause was soon overtaken by the sheer thrill of disobedience. The Mamiani's headmaster, Giuliano Ligabue, newly arrived from a sleepy school in Sardinia, evidently had trouble believing his eyes and was soon circulating stories to his superiors about rampant drug use, outbreaks of violence and even the reported sighting of a revolver.

Mr Ligahue's alarm prompted the police raid. On Monday, the headmaster went to the Education Ministry to resign, leaving the coast clear for the police to drag the 100 or so protesters off into custody for identity checks (there were no arrests).

There were reports of broken windows and lavatories in sad disrepair, but such was ever the state of the Mamiani. There were reports that a criminal gang called Flaminio Mafia had taken over the school and was peddling drugs and even arms. But only a few grams of marijuana were found, some wooden sticks and lavatory chains. It is still not clear if Flaminio Mafia exists as anything more than the name of a teenage rap band.

The whole farcical spectacle is a symptom of the fact that the Italian school system has neither the means nor the political will to work. English teachers can barely speak English and science labs have next to no equipment. There are rarely any sporting, or any other, extra-curricular activities. Latin, on the other hand, is compulsory in nearly all high schools – an anachronism that dates back to the time when education was the preserve of the Church.

"The school system is no more than an elegant con-trick, using fantasy politics as a substitute for education," commented one disillusioned former academic.

The students of the Mamiani may be having the time of their lives, but if they are the future of Italy it doesn't look too promising.

Pocket art: The old F100 note, celebrating the Romantic Delacroix (front), is supplanted by the Impressionist Cézanne Photograph: Reuters

The final franc note cashes in on Cézanne

Paul Cézanne's father would, finally, have been proud of him. The great Impressionist, who refused to follow his *papa* into banking, has been chosen as the theme of the last French banknote. From next Monday week, the Bank of France will issue a new, hi-tech 100-franc note featuring a portrait of Cezanne and details from two of his paintings, *The card-players* and *Apples and biscuits*.

The design, the subject of two false starts and much discussion, will survive for four-and-a-half years before the franc is merged into the European single currency, the euro. It will be the last of a long and ornate line going back to the creation of the franc in 1795 and the first franc notes in 1796.

Originally, the Bank of France intended to honour the Lumière brothers, inventors of cinema. They were cut from the script when it was pointed out they had sympathised with the Vichy regime during the Second World War. The second plan was to honour the painter Henri Matisse. His surviving relatives objected, pointing out that he had always detested money.

Finally, Cézanne was chosen, ahead of the singer Edith Piaf and the writer Colette. The new note (worth roughly £10) will join a series with the 50-franc note (starring the writer and aviator Antoine de Saint-Exupéry, the 200-franc (Gustave Eiffel) and the 500-franc note (Pierre and Marie Curie).

One painter replaces another. The present 100-franc note, the only one in the world to show a half-naked woman, celebrates Eugène Delacroix. It includes an approximate reproduction of his painting of a bare-breasted woman leading a revolutionary charge.

The governor of the Banque de France, Jean-Claude Trichet, defended - on three counts - the decision to introduce a new note in the late evening of the franc's life.

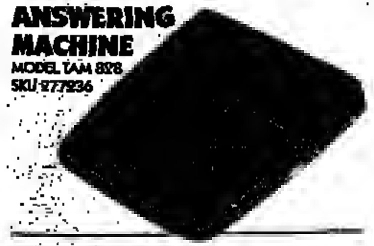
The 100-franc note, the most commonly used one, survives for a maximum of 15 months in circulation in any case. The use of new technologies makes the Cézanne design cheaper to print and 10 times harder to counterfeit.

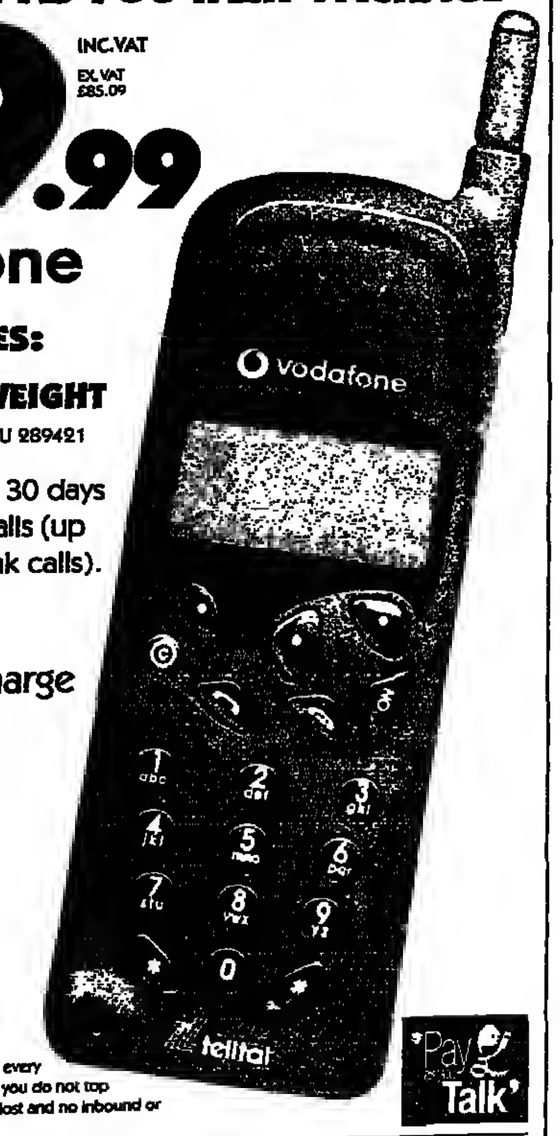
There is an unspoken, fourth reason. France is in competition with other countries for a contract to print some of the euro notes which will replace the currencies of up to 11 EU countries from 1 July 2002.

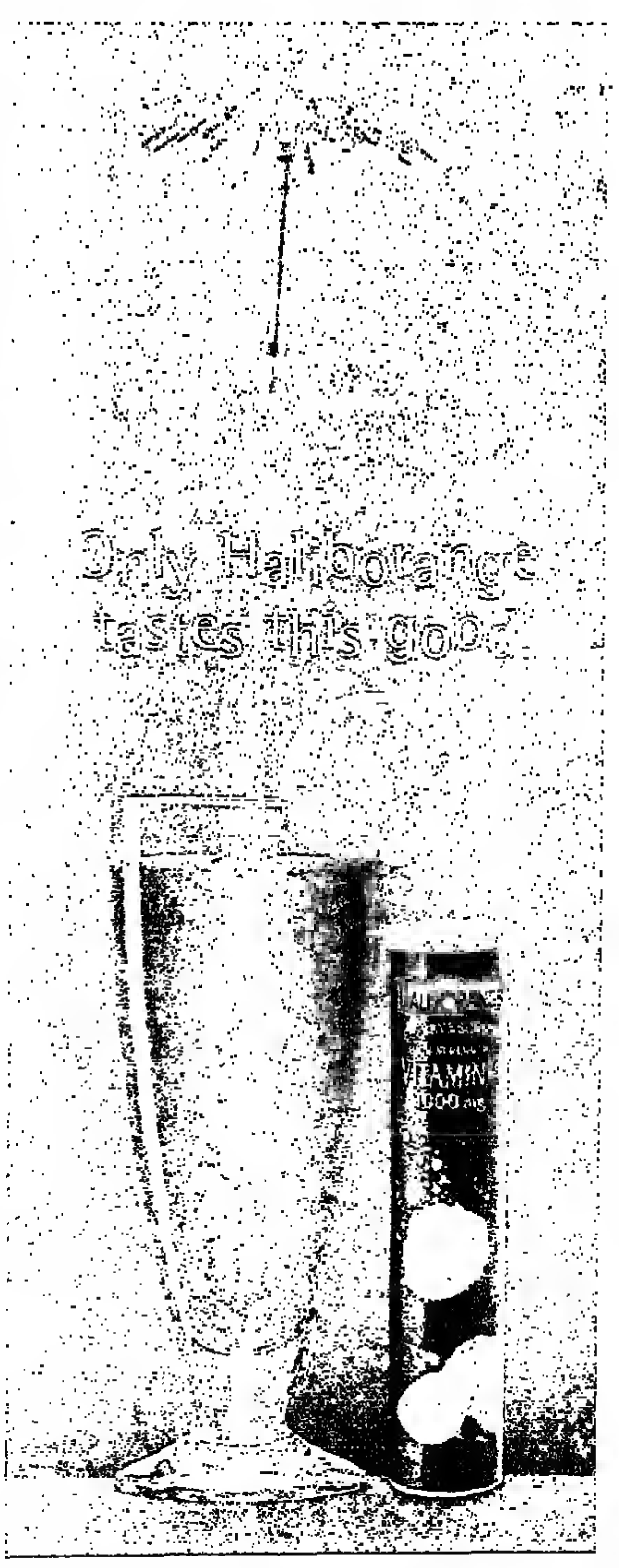
The production of the new Cézanne note, incorporating a supposedly unfakeable new form of metallic security band, is a French down-payment on a licence to print euros.

— *John Lichfield, Paris*

Currency of fame: Matisse (right), who failed to make it on to the new F100 notes when his relatives objected, and Cézanne (left), who is to adorn the latest unit of exchange







The Baron and the cleaner – if not a fairy tale, what?

He is from the aristocracy. She is from the Philippines. He is 69, she is 36. He is pretty useless round the house, she is pretty useful (she used to do for him). They are recently married, and having a baby. Nice! says *Ann Treneman*.

Lord Southampton with his Filipina bride Alma Slater at their home in Chagford, Devon

Photograph: Nic Ray/South West News Service

Lord Southampton sees his marriage to his 36-year-old Filipina cleaner as a fairy tale come true. "We fell in love," says the 69-year-old peer. "It is a bit of a fairy tale, and I think most people like fairy tales. Barbara Cartland's agent has been in touch to see if we could help her with a book."

Well, whatever Dame Barbara may think, this is not a fairy tale. For starters, penniless Cinderella did not marry the old guy sitting on the throne. She married the handsome young prince on the dashing white horse. Then they cantered off into the sunset – too young and too much in love to realise that the whole thing was destined to give them saddle sores and a whacking great chance of divorce.

No, the story of the peer and his cleaner – which was broken by the *News of the World* with the memorable headline "Bed, nob and broomsticks!" – is something else entirely and in many ways it is a thoroughly modern match. But first, a recap of the story and its characters so far.

Lord Charles James FitzRoy, 6th Baron Southampton, is descended from Charles II. The family owes its fortunes to the king's celebrated mistress, Barbara Villiers, so there is a certain tradition to keep up. The present peer's father ran off with a chorus girl when he was 17, and Lord Southampton himself ran off with his first wife, Pamela, when he was 22 and she was only 16. There, however, the wild times end. They were married for 46 years, and had two children, now aged aged 45 and 41, and seven grandchildren. The first Lady Southampton died in February, from ovarian cancer.

Alma Pasqual grew up a world away from all this, as the daughter of a shopkeeper in the village of Tarlac, near Manila. In an arrangement that owes much to the mail-order bride business, she came to Devon to marry an electrician, Bryan Slater, after an 18-month correspondence. The marriage was not a success and, amid financial and other troubles, Alma decided to look for work as a cleaner. Thus, in 1992, she came to be hired at £5 an hour by Lady Southampton to clean Stone Cross, a five-bedroom country house, worth £500,000. At Alma's home, things got worse – "I was treated like a skivvy" – and she started divorce proceedings.

And so the stage was set. Lord Southampton is described as being "impractical around the home". One suspects that this means completely useless, and as a widower he began to rely more and more on Alma. Then, one day, he decided that he needed a new fridge. "He is not very good at shopping," says Alma. "That was the first time we went out together."

The peer told *Hello!* that he decided to pop the question over a meal in a Chinese restaurant in Taunton. His cleaner was surprised. "Out of the blue he told me that he was in love with me. It never occurred to me what was happening inside of him. I think I said 'Bloody hell'. I just never expected it. I told James I would have to think about it." In June, she accepted his proposal. They married last month, and now the new Lady Southampton is pregnant.

Some people claim to be shocked, though whether this is because of the recentness of the first wife's death, the age gap, the fact that the new Lady Southampton was a cleaner, or that she is from the Philippines, is unclear. But all these factors contribute to the reason why we should not be shocked.

Romance and bereavement are no strangers, especially for men. There are many more widows (2.9 million) than widowers (684,000) in Britain. While this is partly explained by the fact that women live longer, men are also far more likely to remarry, and quickly, too. "Men are healthier if they have a partner," says Averil Leimon, a psychologist. "Bereaved men are at considerable risk – it's not unusual for them to die [soon] too. For men it can be a life-saver to find another woman." Often, the dying wife will instruct a husband to find a new wife. Both Lord Southampton and his new wife have said they believe Pamela would have approved of their match.

Nor should we be surprised by the fact that she is a Filipina. The "brides of the Orient" are much in demand these days. Bill Howard, of the World Association of Introduction Agencies, says that there has been a 15 per cent increase in the number of European and North American men marrying Oriental women, and that the former gas chief Brian Clegg is only the highest-profile man to admit to having done such a thing. The 75-year-old former chairman of Northern Gas paid £3,000 in air fares and dating agency fees to go to Bangkok, where he met a 23-year-old Thai waitress called Joom. They wed after a three-day courtship conducted in a shared hotel room. "I'm sure we will be happy," says Mr Clegg. "And when I have gone, Joom will be set up for the rest of her life."

In many ways, it could be said that Mr Clegg has gone out of his way – Bangkok is not an Awayday, after all – to find the ultimate non-trophy wife. But others would see it differently. The men who seek out Oriental brides are usually divorced, and are looking for women with traditional values. The women – and 60 per cent come from the Philippines – are looking to escape the worst kind of poverty. "Almost all Filipina girls marry for economic reasons," says Mr Hunter, "though perhaps the men don't think of it that way."

Not so much true love as true practicalities, then. But it seems to work for many. Charles Black, of Siam Introductions – the firm used by Mr Clegg – conducts a two-year check-up for its clients and reports an 85 per cent success rate. "That's a lot better than most English marriages," he says.

Alma Pasqual was one of those whose penpal husband turned out to be Mr Wrong. Unlike many such brides, she took her future into her own hands and decided that she would rather get divorced and return to the Philippines than live in such an way.

Then came that unexpected question in the Chinese restaurant, and she is now in a rather wonderful and rare position. She is a Filipina in Britain who is marrying a wealthy older man without the help of an agency. She has always wanted a family, and now she is to have children who will be aristocrats (if her baby is a boy the plan is to name him Charles, after the future king). Her husband is thrilled by what he calls his new life. "I am hoping Alma will do the late-night nappy duties," he says. "I don't think I am up to it at my age."

She used to be paid £5 an hour to clean, and now she is rich in her own right. "Neither of us can believe it's happening," she says. "I used to clean this beautiful house – and now it is my home." But, it must be said, she is still cleaning. "We can't really afford staff now, so I'll still do all the housework myself." Spoken like a truly traditional wife. And that's no fairy tale – that's just the way of the world.

Making legal history: Di's divorce lawyer and the poet

What have lawyers and poets got in common? Plenty, according to Anthony Julius and his colleagues at top law firm Mishcon de Reya, who have appointed a poet in residence. *Robert Verkaik* gets on the case.

A shy male lawyer recently informed Lavinia Greenlaw that he wouldn't be coming to her inaugural poetry workshop at Mishcon de Reya. When the newly appointed poet-in-residence at the Princess of Wales's law firm asked him why this was so, he replied: "Because I don't want anyone to know I write poetry."

Greenlaw, who since her appointment has won this year's £1,000 Forward Prize for the year's best poem, took this apparent stumbling-block in her stride. "It's very important," she says, "to understand that people are not going to find it easy to share something like poetry with their work colleagues. They can send me poems through the e-mail and we need never meet, if they wish."

Anthony Julius, is credited with the initiative. He is the partner who advised Diana, Princess of Wales in her £15m divorce settlement, and who now plans to divorce his own wife of 21 years and marry the journalist Dina Rabinovitch, the daughter of an ultra-orthodox rabbi. He is the firm's head of litigation, and a respected writer who last year published a critique of TS Eliot's anti-Semitism. But he has, says Greenlaw, deliberately kept a low profile, and did not volunteer to take part in the first workshop.

The Mishcon de Reya project, though trail-blazing, is not unique. This year Barnsley Football club appointed a poet to chronicle its historic entrance to the Premiership. The Poetry Society is looking at other ways to bring poets to the world of business, and to this end has given Marks & Spencer £5,000 of its £450,000 National Lottery grant to fund a poet-in-residence. Chris Meade, the society's director, says that more poets in company posts can be expected.

The Mishcon project at first encountered cynicism from some of its own lawyers, who felt that the £10,000 for one half day a week could have been better spent. But eventually they opted for this means of supporting the arts, while at the same time bringing light relief to lawyers who pride themselves on working 25-hour days. The nature of the arrangement was first made clear to Greenlaw when she met the unusually heavyweight interview panel, comprising the poet Tom Paulin, Chris Meade, and Anthony Julius.

At a party to welcome her to the firm, 120 staff, half the workforce, turned out to say hello. At first it must have looked as if the diminutive, 35-year-old, self-effacing poet – who had not known any lawyers before she met the firm – was in danger of being drowned in a sea of loud voices and pin-striped suits. Since then she has found her own way of making her presence felt.

Explains Greenlaw: "Every week, when I come in, I put a different poem in the e-mail with some comment. Throughout the day people write back with their own poems or suggestions for poems. Some people are baffled, others are provoked."

She also goes on office walkabouts, where her encounters have already produced one or two knee-jerk reactions to poets and poetry.

"People who have not read a poem for perhaps 30 years, or since they left school, suddenly look at me and think, 'a poet, poetry; what do I know about poetry?' During a fire drill I found myself on the fire escape talking about Coleridge."

Chapter and verse from Lavinia Greenlaw

Tom Pilston

All staff in the firm, from receptionists to senior partners, are invited to join the workshops. The first, held last last month, was so heavily over-subscribed that Greenlaw was forced to *limit* the number of participants to 10. But of those 10, three said work commitments prevented them from joining the group at the last minute. They were all men.

She is very keen to overcome any language barriers, and so get to grips with the "bland corporate speak" which, she complains, has infected the professions. Greenlaw, who had no experience of the legal profession before she joined Mishcon, says lawyers "can be very fuddy-duddy or slippery in their use of speech. Some have suggested that I would be frustrated by the dryness or extreme fluency of their language."

People still ask her for words which rhyme with solicitor, in the belief that she is some kind of law firm laureate, paid to produce corporate doggerel, and employed to be at the beck and call of the partners.

But Greenlaw has discovered that poets and lawyers have much in common. Apart from Dante and Ovid, whom she names as poets who trained in the law, she homes in on the shared use of words as tools to construct persuasive arguments.

At a makeshift workshop, Alex George, 27 – one of the three lawyers who did not turn up last time – professes his disappointment at missing out. He supports Greenlaw's proposal that every fortnight a poem is posted in the lift, and recommends Philip Larkin's poem "For Sidney Bechet".

The discussion moves on to the value of learning poems by heart. Greenlaw mentions a book by Ted Hughes that uses visual aids as a memory trigger to remember poems. Alex thinks that "associated images" might cloud the words, and act as a smoke screen to the reader's interpretation of the poem.

Helen Scott, a marketing secretary, who also attends the makeshift meeting, is a resting actress. She says she was so captured by a poem by Emily Dickinson which Greenlaw had sent round on the e-mail that she went out and bought a collection of Dickinson's verse.

Greenlaw hopes she too will find something here that will enrich her own poetry. She intends to accompany lawyers to court to get an impression of legal words in action.

But don't expect anything too soon, or any ditties with lots of words rhyming with Diana – or even Dina – and Mishcon de Reya.

Robert Soetens

Robert Soetens, violinist: born Montluçon, France 19 July 1897; married 1921 Maud Laury (died 1977); died Paris 22 October 1997.

The death of the French violinist Robert Soetens breaks one of the last links with the breathtaking flowering of musical life in Paris in the first half of this century.

Soetens was an early prodigy; playing in public for the first time at the age of seven. His father had been one of the first pupils of the great Belgian violinist Eugène Ysaye and, at the age of 11, Robert followed in his father's footsteps, studying with Ysaye for two years before being admitted to the Paris Conservatoire. Soetens' teachers there included the composer Vincent d'Indy (who swiftly made the young virtuoso the leader of the student orchestra), Camille Chevillard for chamber music, and Lucien Capet, leader of the famous Capet Quartet, for violin.

Paris was then at the forefront of the modern: Soetens saw Nijinsky dance Petrushka, attended the first performance of Stravinsky's *The Rite of Spring*, played at the age of 16 in the premiere of the First Quartet of Darius Milhaud, a fellow student at the Conservatoire; and he remembered seeing Picassos in the gallery windows at 20 francs and Utrillos at a quarter of that price.

In 1915 Soetens left the Conservatoire to enrol in the army; on his return he was booked as leader-soloist of the orchestra of the summer season at Aix-les-Bains, after which he went to Cannes with the same duties, for a season directed by André Messager. It was there that Soetens met the soprano Maud Laury, and they were soon married, though the relationship was short-lived; he never married again.

Soetens next moved to Deauville, again as leader-soloist of a seasonal orchestra, and then to Angers. But he was also now playing regularly in Paris, where through Milhaud he got to know the other members of the group of musicians dubbed "*Les Six*", particularly Arthur Honegger, Germaine Tailleferre and Francis Poulenc.

In 1925 Soetens gave the first performance of Ravel's *Tzigane* (in the version for violin and piano), which brought him close to Ravel, and together they went on a Scandinavian tour. (At one point Ravel was upset when he accidentally skipped a couple of his lines in his own *Sonatine*; Soetens consoled him by pointing out that the composer was not in the audience.)

Soetens now began to travel abroad, beginning the career of travelling virtuoso that was the stuff of his existence for the next 60 years. He went first to Belgium, where one of the most important friendships of his life was born, when he was booked for a recital in Brussels with Sergei Prokofiev. Their mutual respect was sealed in 1932 when Soetens played, with Samuel Dushkin, in the first performance of Prokofiev's Sonata for Two Violins. Prokofiev was so pleased that he said he wanted to "write something" for Soetens. That "something", to its recipient's astonishment, was the Second Violin Concerto.

Prokofiev gave the first performance with Soetens in Madrid in December 1935. The two of them then undertook a 40-concert tour in Europe and northern Africa – the first time that Prokofiev, as pianist, had ever shared a platform with another soloist. Soetens was true to this *friendship as long as* he was able: he continued to play "his" concerto until 1972, when he gave the first performance in South Africa, and in 1983, when he was 85, he performed the Sonata for Two Violins in a concert to commemorate the 30th anniversary of Prokofiev's death: it was 51 years since he had played in the premiere.

In 1925, out of the blue, Soetens, then 28, had been offered the post of leader of the Oslo Philharmonic, and his European career was launched. From Oslo he began to play across Scandinavia, and then in Finland, which served as a beachhead from which to begin giving concerts in the Baltic Counties and in Central and Eastern Europe.

The next distinguished composer to be associated with Soetens in France was Albert Roussel. After his first stay in Norway, Soetens had accepted a summer season at Dieppe; Roussel had a summer house just down the coast, at Varengeville. They worked closely together, Soetens playing in the premiere of the Second Violin Sonata. With Soetens in mind, Roussel had decided to write a *Fantaisie* for violin and orchestra, and wrote to him in 1937 that he now finally intended to start work on it that September; he died on 23 August.

Soetens played frequently in London in the later 1920s and 1930s and gave a number of broadcasts on the BBC, including the first two British performances of the Prokofiev Second Concerto, under Sir Henry Wood in 1936 and under the composer himself in 1938 *(from the Queen's Hall)*; *he also* played Mozart under Barbirolli in Hastings and, with the Scottish Symphony Orchestra, toured Scotland with Karl Rankl and the Mendelssohn Concerto.

In 1940, having regained France from Italy just before Mussolini closed the border, Soetens had intended to come to Britain to fulfil concert engagements, but delays with his visa meant that he missed the last boat out of France. And so, taking a bicycle, Soetens strapped his violins over the back wheel and a suitcase between the handlebars and, with Suzanne Roche, his accompanist and companion, he set off to cycle the 350km south to Montluçon, where he had been born (of Belgian parents) and where his ageing mother still lived. He and Roche decided to stay and concertise in free France, returning to occupied Paris in 1942.

At that point Soetens accepted the chance of a tour in Spain, also acting as a sleeping agent for the free French: only when he was there did he realise that he would not be allowed to return to France without official permission from Berlin. He had no choice but to eke out a living from what concerts he could find in Spain, Portugal and North Africa – where he played in concerts organised by de Gaulle's sister-in-law to raise money for the Resistance.

After the war, to escape from the chaos of liberated Paris, Soetens and Roche played in Egypt, Palestine, Lebanon and Turkey, making the journey back through Soviet-occupied Bulgaria. Soetens' characteristic restlessness had not abated in middle age: he spent the years 1947-50 touring the length of Africa, appearing in Britain again in 1952-53 for a tour with the Scottish National Orchestra, and once more in 1957.

He now spent three years (1960-62) giving concerts in South America, another three in Asia, where he taught extensively in Japan, and five in North America, all the while playing concertos with orchestras across Europe. In 1967-68 Soetens taught at Oberlin College in Ohio. With the Bulgarian pianist Minka Roustcheva, his concert partner from 1966 until 1995, Soetens' perpetual touring continued: in his seventies he played in South Africa, the Azores, Mauritius and Iran; and he thought nothing of travelling – on his own – to Trundheim, in northern Norway, to give a masterclass two months before his 95th birthday. In 1982 he returned to London to give masterclasses at the Guildhall and the Royal Academy of Music, and while there also gave a number of concerts in London and in Oxford.

He gave his last public concert at the age of 95 – probably the only violinist ever to perform so late in life.

– *Martin Anderson*

Soetens: gave his last public concert aged 95 Photograph: Jean-Michel Sabat

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Leonard Matthews

Leonard Joseph Matthews, editor and publisher: born London 10 October 1914; married 1944 (marriage dissolved 1947), 1957 Barbara Hayes (one son, one daughter); died Esher, Surrey 9 November 1997.

Halfway through 1962, a weekly news magazine in London appeared with its front page fully devoted to a cartoon. It showed the figure of a man in Napoleonic garb flagged "Napoleon of the Comics". This was Leonard Matthews, the newly created director of Fleetway Publications. A long-standing member of the staff, Matthews had become director in overall editorial command of such weeklies as, *Buster*, *Film Fun*, *Girls' Crystal*, *Jack and Jill*, *Lion*, *Look and Learn*, *Playhour*, *Princess*, *Tiger* and *Valiant*.

Previously he had worked for an Italian firm which made carpets, and later joined the London department store Whiteley's, where he ran the Whiteley's Dance Band.

The Amalgamated Press had advertised for an editorial assistant, and Matthews, who had a talent for drawing, submitted some of his material. He was fortunate enough to secure an interview with Monty Haydon, a director of the company, who, impressed with his ability, took him on.

Matthews: Napoleonic

The Second World War took him into the RAF, but he also worked for the RAF at the Air Ministry in Kingsway, where he compiled air-training manuals. Fleetway House was not too far away, so he kept his hand in by doing editorial tasks there. He volunteered to fire-watch on the building, and one occasion fire-bombs fell when he and his colleague George Allen (a lifelong friend whom he had first met at Whiteley's) were on watch. They scooped up the bombs and shovelled them over the side. Next morning, Fleetway House was intact, but its next-door neighbour was burned to the ground.

Towards the end of the war, Matthews married. Pat, his wife, had some show-business connection, and they appeared in a short film together, but the marriage did not survive. With the end of the war, he resumed his editorial work and in 1957 married Barbara Hayes, an attractive brunette in the nursery papers department.

The Amalgamated Press was taken over by the Mirror Group in 1958, and renamed Fleetway Publications. Matthews began to reorganise his papers, which now included all the boy's titles, the girl's weeklies and the nursery papers. A small man, he was a keen admirer of Napoleon Bonaparte and, like him, not entirely democratically inclined, but his leadership was tempered with a charismatic quality which quashed resentment. Matthews tended to recruit tall men on to his team.

His capacity to enthuse was enormous and infectious, but he made sure that all under his command knew their place. He expected you to agree with him, and indeed, to do his bidding. As one of his editors, I was given a large, airy office right next to his. Once he called me into his office, and told me of a project he was planning. He asked me to take part in a particular mission for its furtherance. I could not, in all conscience, oblige him, and gave him a definite, and, I hope, polite, "no".

His reaction was, I suppose, to be expected. He nodded gently, said he understood my point of view, and I departed. Next day, Colin Thomas, Matthews's "adjutant", dropped in see me. "Oh, a small thing. Leonard wants to make a few changes in the office locations, so we'll have to move you, old man." I then went down to inspect my "new" office. It was a quarter of the size of the old one, overlooked the fire-escape at the back of the building, and had one tiny window. I had been punished.

Changes occurred at Fleetway House. The Hulton publications – *Eagle*, *Girl* and *Robin* – fell within the Matthews orbit, after being taken over by the Mirror Group, which in turn, incorporating Odham's, Newnes and other companies, became IPC, the International Publishing Corporation. Matthews, strong personality as he was, felt eventually that he had no choice but to leave the company. He would shortly have been able to take early retirement, in any case.

He did not, of course, actually retire. Within a month or so, he had set up his own publishing and production company, Martspress, accompanied by a few of his old staff. One of his first moves was to buy up some old titles, among them *Men Only*, a mildly saucy pocket-sized monthly issued by Newnes. Matthews appointed as its editor Tony Power, who had edited children's comics at Fleetway House. *Men Only* had been slowly fading, and its demise seemed imminent. Power, out for an evening, met Paul Raymond, who ran nightclubs. The outcome was that Matthews sold the title to Raymond, who turned *Men Only*, still with Power as editor, into a hugely successful publication.

Matthews devoted his attention to juvenile publishing, this time as a packager, producing a complete magazine or book for any publisher who required it. First among such publications was *Once Upon a Time*, issued by City Magazines.

With the passage of time, Matthews's operations lessened. His company continued production, mostly with books for children, with the able assistance of Elizabeth Flower, his former secretary at Fleetway House.

– *George Beal*

Leonard Matthews did me a good turn, *writes Jack Adrian*. Thirty-odd years ago, as Editorial Director (Juveniles) at the old Fleetway Press (then the biggest fiction factory in the world), he wrenched me out of the comfy but terminally boring editor's chair of a glossy county mag (all balls, blooming Soroptimists and baying drunks in DJs) in Stoke-on-Trent to the sub's seat on *Lion* ("King of Story-Papers!") in swingin' London.

My one boast on joining Fleetway was that I was the first bearded employee ever to be taken on by Leonard, a notorious detester of beards — who, only weeks later, suddenly sprouted a facial growth of his own. This was not because in some bizarre and deeply psychological way he fancied me (Leonard's sexual arrangement, both domestic and extra-curricular, were creative, but not that creative), merely that, in his Napoleonic way, he wished to demonstrate he could do anything his underlings did.

That was Leonard all over. A cocky little bantam, he liked to have very tall men as minions, dashing around at his beck and call although, like all monumental egocentrics, he was convinced everyone was plotting against him. Thus life as a minion, however tall, could be nasty, brutish and short. Ruthlessness was an essential part of his psyche. Having, through chronic overwork and emotional pressure, turned one of his editorial apparatchiks into an alcoholic, he fired him – for being an alcoholic.

A man more at ease with legend than reality, Leonard was convinced that vicious thugs such as Dick Turpin, Claude Duval and Rob Roy were in fact paragons of high-minded virtue and benevolence. This was thanks to the swashbucklers he'd read as a boy: Stanley Weyman, Rafael Sabatini, Harrison Ainsworth, as well as all the cheap story-papers lauding the exploits of other arrant scoundrels. But he turned this obsession to good effect during the 1940s and 1950s in the comics and story-papers he edited and was associated with, dragooning some of the finest illustrators of the day, both British and European (C.L. Doughty, Steven Chapman, H.M. Brock, Eric Parker, Geoffrey Campion, Arturo del Castillo *et al*), into drawing superb historical picture-strips about Turpin, the Three Musketeers and a host of other characters in weekly serial form, or as beautiful one-off 64-page pictorial "novels".

Leonard was a packager *par excellence*, churning out anthologies and annuals and year-books, then changing around the contents and churning them out again. Like all despots he could shift into purblind mode. Great events – with which he had no possible connection – at times passed him by.

In the late 1970s, when George Lucas's *Star Wars* was vast and you had to be a New Guinea caveman not to know the names Han Solo, Luke Skywalker and all, he buttonholed me to write some stories for an "exciting new project" he was working up for W.H. Smith. It was science fiction. "I've got a very good title," *he said*. "I'm surprised no one's used it before – 'Star Wars'."

I said I thought George Lucas might not be too impressed to have that galaxy-famous title pinched. There was a puzzled silence on the phone.

"Who's George Lucas?" said Leonard.

He had, nevertheless, a formidable editorial talent.

BIRTHS, MARRIAGES & DEATHS

DEATHS

EDLINGTON: Brian. Managing director of J.B. Edlington & Co Ltd, Gainsborough, Lincs. Suddenly, on 1 December 1997, at Lincoln County Hospital, aged 69 years. Loving husband of Susan and much-loved father of Sara and Paul John, grandfather of Elizabeth. Funeral Service at Beckingham Church on Monday 8 December at 11.30am, followed by interment at Morton Cemetery. Family flowers only, donations to Beckingham Church Roof Appeal. Enquiries to Cliff Bradley Funeral Director, Gainsborough, telephone 01427 810619.

Announcements for Gazette BIRTHS, MARRIAGES & DEATHS (Births, Adoptions, Marriages, Deaths, Memorial services, Wedding anniversaries, In Memoriam) should be sent in writing to the Gazette Editor, The Independent, 1 Canada Square, Canary Wharf, London E14 5DL, telephoned to 0171-293 2012 (24-hour answering machine 0171-293 2011) or faxed to 0171-293 2010, and are charged at £6.50 a line (VAT extra). OTHER Gazette announcements (notices, functions, Forthcoming marriages, Marriages) must be submitted in writing (or faxed) and are charged at £10 a line, VAT extra. They should be accompanied by a daytime telephone number.

Changing of the Guard

The Household Cavalry Mounted Regiment mounts the Queen's Life Guard at Horse Guards, 11am; F Company Scots Guards mounts the Queen's Guard at Buckingham Palace, 11.30am, band provided by the Scots Guards.

Birthdays

Mr John Baker, chairman, National Power, 60; Lady Balfour of Burleigh (Janet Bruce), editor, writer and consultant, 52; Mr José Carreras, operatic tenor, 50; Lord Chalfont, chairman, Marlborough Stirling Group, 78; Miss Lucie Clayton, founder of the model and secretarial agency, 69; Sir William Downward, former Lord-Lieutenant of Greater Manchester, 85; Lord Dubs, former MP, 65; Mr Tom Graham MP, 53; Mr John Home Robertson MP, 49; The Earl of Longford, writer and former minister, 92; Mr Terry Maher, chairman, Maher Booksellers, 62; Mr Sheridan Morley, writer, biographer and broadcaster, 56; Lord Napier and Ettrick, private secretary to Princess Margaret, 67; Lord Nathan, former Chairman, Royal Society of Arts, 75; Mr Malcolm Russell, musician, 61; Mr Jeremy Sandford, author, 63; Mr Harold Sebag-Montefiore, barrister, 73; Mr Bill Skitt, Assistant Commissioner, Metropolitan Police, 56; Dame Mary Smieton, former senior civil servant, 95; Mr Adam Thorpe, poet, 41; Mr Don Touhig MP, 50.

Anniversaries

Births: Christina Georgina Rossetti, poet, 1830; Admiral John Rushworth Jellicoe, first Earl Jellicoe, commander of the Fleet at Jutland, 1859; Fritz Lang, film director, 1890; Walter (Walt) Elias Disney, creator of Mickey Mouse and Donald Duck, 1901; Otto Preminger, film director, 1906. **Deaths:** Wolfgang Amadeus Mozart, composer, 1791; Sir Henry Tate, sugar refiner and philanthropist, 1899; Jan Kubelik, violinist, 1940. **On this day:** the brig *Mary Celeste* was found abandoned in the Atlantic, 1872; under the 21st Amendment, prohibition was repealed in the United States, 1933; Britain's first motorway opened, a bypass around Preston, 1958; the United Kingdom withdrew from membership of Unesco, 1985. **Today** is the Feast Day of St Birinus, St Christian, St Crispina, St John Almond, St Justinian or Iestin, St Nicetius of Trier, St Sabas and St Sigiramnus or Cyran.

Dinners

HM Government

Mr George Robertson MP, Secretary of State for Defence, was host at a dinner given yesterday at Admiralty House, Whitehall, London SW1 in honour of Mr William Cohen, Secretary for Defense of the United States of America.

Lectures

National Gallery: Gabriele Finaldi, "Mengs (1): The All Souls *Noli Me Tangere*", 1pm.

Victoria and Albert Museum: Ann Eatwell, "Silver for Tea, Coffee and Chocolate", 2.30pm.

Gresham College, Barnard's Inn Hall, London EC1: Professor Colin Pillinger, "Hairy Stars", 1pm.

Synagogue services

Details of synagogue services to be held tomorrow may be obtained by telephoning the following. Sabbath begins in London at 3.38pm.

United Synagogues: 0181-343 8989. Federation of Synagogues: 0181-202 2263. Union of Liberal and Progressive Synagogues: 0171-580 1663. Reform Synagogues of Great Britain: 0181-349 4731. Spanish and Portuguese Jews Congregation: 0171-289 2573. New London Synagogue (Masorti): 0171-328 1026.

LAW REPORT: 5 DECEMBER 1997

Necessity cannot justify detention of mental patient

A person suffering from a mental disorder may only be detained in hospital for treatment for that disorder either with his consent or under the provisions of the Mental Health Act 1983, and not under the common law doctrine of necessity.

R v Bournewood Community and Mental Health Trust, ex parte L; Court of Appeal (Lord Woolf, Master of the Rolls, Lord Justice Phillips and Lord Justice Chadwick), 2 December 1997

The Court of Appeal allowed the applicant's appeal against the decision of Mr Justice Owen (*Case Summaries*, 3 November 1997), who dismissed his application for judicial review of the decision of the Bournewood Community and Mental Health NHS Trust to detain him on 22 July 1997 and to continue that detention.

The applicant, a 48-year-old autistic man who was unable to speak, had been a long-term resident at a hospital run by the trust. In March 1994 he had gone to live with a couple who were his carers. They regarded him as one of the family. On 22 July 1997, while at a day centre, the applicant had become agitated. His carers could not be contacted so the care worker who had had overall responsibility for him for many years had been called. She had recommended that he should be taken to the hospital's Accident and Emergency Unit. Whilst there he had become increasingly agitated and, under a doctor's supervision, had been taken to the mental health behavioural unit. He had remained at the hospital ever since.

Richard Gordon QC and Paul Bowen (Scott-Moncrieff Harbour & Sinclair) for the applicant; John Grace QC (Beachcroft Stanleys) for the trust.

Lord Woolf MR, handing down the judgment of the court, said that for the purposes of the appeal the applicant had been regarded as being unable to express either consent or dissent to detention. The trust's consultant psychiatrist had taken the view that because the applicant had been "quite compliant" on 22 July and had "not attempted to run away", he could be admitted to the hospital as an informal patient and need not be detained under the Mental Health Act 1983. Had he resisted admission, however, she would certainly have detained him under the Act, being firmly of the view that he required in-patient treatment.

The trust denied that the applicant had been detained; he had simply not chosen to leave the hospital. However, a person was detained in law if those who had control over the premises where he was had the intention that he should not be permitted to leave, and had the ability to prevent him from leaving. That was the applicant's position. The judge had been wrong to conclude that he was "free to leave" the hospital. It was plain that, had he attempted to do so, those in charge of him would not have permitted it.

The alternative contention of the trust was that if the applicant were detained, such detention was not unlawful because they could rely on the common law doctine of necessity to justify giving treatment to the applicant in accordance with his own best interests.

It was clear from the authorities that the right of a hospital to detain a patient for treatment for mental disorder was to be found in, and only in, the 1983 Act, whose provisions applied to the exclusion of the common law principle of necessity. The trust contended that section 131 of the Act entitled them to admit the applicant as an "informal patient", but that section addressed the position of a patient who was admitted and treated with consent. The trust had admitted and detained the applicant for treatment for mental disorder without his consent and without the formalities required by the Act. It followed that they had acted unlawfully.

It should be made clear that in the present case the court had been concerned with the admission and detention in hospital of a patient for treatment for mental disorder. Nothing in the judgment should be taken as applicable to the situation where a mentally impaired person was subjected to restraints amounting to detention which were imposed simply to prevent him from sustaining harm.

A troubling feature of the appeal was that the trust was not alone in misinterpreting the effect of the Act. Apparently there could be many patients, especially those suffering from dementia, who were in the same position as the applicant. The current practice could not justify a disregard of the Act.

– *Kate O'Hanlon, Barrister*

Not fit to sit in Parliament? It is the oath that is not fit

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Would you? Would you promise to be "faithful and bear true allegiance to Her Majesty Queen Elizabeth, her heirs and successors, according to law"? Many readers of this newspaper would. Some have, as naturalised citizens, Scouts or Guides. But many would not. Does that make them ineligible to sit in Parliament?

Of course not. Yet that is what we require our MPs to say, every one of them, before they can sit on the green benches and do their bit for representative democracy. The idea that people who want Britain to have an elected head of state must be barred from the House of Commons is antique. It is preposterous that MPs should not be permitted to believe openly in a constitutional monarchy in which the monarch is merely titular head of state. Should republicanism, indeed, disqualify a citizen from being a Member of the House? When examined closely, the idea of swearing loyalty to the person of the monarch and her heirs is so offensive – even with that historically rather important rider, "according to law" – that there is a strong case for asserting that anyone capable of mouthing such hypocritical tosh ought to be disbarred automatically from being an MP.

That does not, of course, mean that the opposite is always true. Gerry Adams and Martin McGuinness should not be allowed to use the facilities of the House of Commons simply because they refuse to swear the oath of allegiance. They should be allowed to do so because they have disavowed the use of violence and have expressed a desire to take part in a democratic dialogue about the future of Northern Ireland.

So Betty Boothroyd was wrong to send the Sinn Fein MPs away yesterday with their crude piece of agitprop intact. She was wrong on several counts. First, because the oath of allegiance is the wrong test to administer. Most democratic assemblies require their members to declare some kind of loyalty to their nation, which must always present problems to those who stand on a democratic platform of secession for a part of it. The Scottish National Party and Plaid Cymru get round that by saying they would be happy to have the Queen as head of state of their independent country. But it is different for the Irish, as would be revealed by even the most cursory knowledge of Irish history, and the part played in it by oaths of allegiance.

As Miss Boothroyd pointed out, the oath of allegiance is not a matter for her. The Commons would have to amend the Parliamentary Oaths Act 1866 in order to change it. It was amended once, in 1885, to allow Charles Bradlaugh to sit. As an atheist, he refused to "swear by Almighty God" that he would be loyal to Queen Victoria, and his constituents in Northampton forced a change in the law by returning him in four successive by-elections. As a result, many MPs today "solemnly, sincerely and truly declare and affirm" that they will be loyal to Victoria's successor.

Yesterday, the Speaker claimed to be bound by the law as it now stands – in which case she should disqualify at least one MP who did not deliver the form of words required by the Act. But in any case the Sinn Fein MPs were not asking to take their seats in the Commons. They were merely asking for access to the Palace of Westminster. When she refused them access just after the general election, Miss Boothroyd told the House that the 1866 Act prevented MPs who refused to swear or affirm from taking their seats. In 1924, she said, the Speaker had ruled that such MPs could not be paid salary or expenses. She went on: "Making use of the power vested in the Office of the Speaker to control the accommodation and services in the Commons parts of the Palace of Westminster and the precincts, I have decided to extend these restrictions." She then listed the facilities that would be denied Sinn Fein, including offices, passes, room booking and library services.

For her to pretend to have no choice in the matter, then, is wrong and foolish. This is not a question only of who should and should not be allowed to sit in the Commons, but of advancing the cause of peace in Northern Ireland.

If she had granted Sinn Fein access to the Commons, it would have thrown the burden of responsibility on to the shoulders of Mr Adams. Every time symbolic barriers are removed to Sinn Fein's inclusion in democratic politics, the less Mr Adams can use the rhetoric of grievance and discrimination with his own tribe. The Prime Minister seems to understand this, and should be praised for meeting Mr Adams in Downing Street next week.

But if the oath itself were changed to a promise to serve the people and pursue "liberty and justice for all" (a phrase from the American pledge of allegiance), then that would really put pressure on the deep-rooted Irish republican tradition of abstentionism. Barristers and police officers in Northern Ireland have dropped the pledge to the Queen: why not MPs? A form of words should not be used which excludes MPs whose democratic credentials are good enough for the Mitchell Commission, and which forces many others to stand up for what we know they don't believe.

Post letters to Letters to the Editor
and include a daytime telephone number.
Fax 0171 293 2056; e-mail: letters@independent.co.uk
E-mail correspondents are asked to give a postal address.
Letters may be edited for length and clarity.

LETTERS

BSE inquiry

Sir: A public inquiry into the BSE disaster is on the verge of being announced. As the parents of Stephen Churchill, the first and, as yet, youngest death from human BSE (new variant CJD) we take this opportunity to remind those making the decisions that the inquiry must be held by a judge, as it is imperative that it should have the right to subpoena both people and documents, and the judge must have the authority to inquire into any matter that he sees fit, in order to seek the truth about what has happened.

Whilst we are but one family we speak on behalf of all the families touched by this tragedy. Today we grieve for 23 deaths but others are being nursed as we write. To have the right quality of inquiry is essential otherwise we the families, the nation and Europe will only see a lower level of inquiry as being yet another cover-up, perpetuating what went before under the Conservative government.

We as families seek only the truth. We do not wish for a scapegoat from today's administration but for the real guilty parties to be brought to book. In addition we must all learn from the mistakes made so that a tragedy of this magnitude never happens again.

DAVID CHURCHILL
DOROTHY CHURCHILL
Devizes, Wiltshire

Royal Opera House

Sir: Tonight (3 December) the Royal Ballet represents the United Kingdom at the festivities marking the reopening of the Teatro Real in Madrid. From Friday the Royal Opera contributes to the Year of Opera and Music Theatre in East Anglia with performances of Britten's *Paul Bunyan*. Both events represent the essence, quality and range of the Royal Opera House and its performing companies.

That Mary Allen, our chief executive since September, should be so vilified in today's select committee report scorns the efforts and achievements of the entire organisation during this difficult period of transition. Under Ms Allen's leadership, we are facing up to our problems, restructuring management and financial systems, and developing economically viable artistic plan that will enable us to return to Covent Garden with a programme that does justice to our redeveloped theatre.

That our development continues on time and on budget, while our fundraising has been more successful than any other comparable capital campaign, demonstrates the commitment of very many people to achieving our goals. We will do this best through our own endeavours, by strong management and leadership. We could have no better champion of our cause than Ms Allen, who has our unreserved support.

Sir ANTHONY DOWELL
Director of the Royal Ballet
KEITH COOPER
Director of Sales and Marketing
RICHARD HALL
Director of Finance
JOHN HARRISON
Technical Director
MIKE MORRIS
Director of Personnel
NICHOLAS PAYNE
Director of the Royal Opera
PHYLLIDA RITTER
Director of the Friends of Covent Garden
ANTHONY RUSSELL-ROBERTS
Administrative Director of the Royal Ballet
JOHN SEEKINGS
Development Director
MALCOLM WARNE HOLLAND
Orchestra Director
Royal Opera House
London WC2

University fees

Sir: While you rightly remind your readers of the reasons why we have had to reform university funding and the fairness which is built into our proposals, you suggest that we have failed to inform potential students properly (leader, 3 December). This is not the case.

I have been ready to discuss them and write about them at every opportunity. While there was some controversy in August over gap year students – which we speedily resolved in their favour – it is absurd to suggest that we have been failing to put forward both the arguments and the nature of the new scheme.

We have already issued over half a million leaflets to sixth forms and further education colleges. We have established a free helpline – 0800 731 9133 – and a website – *info@dfee.gov.uk*. We have provided schools and colleges with posters highlighting the helpline number and we have taken out prominent newspaper and radio advertisements.

Of course there are difficulties in tackling misinformation when a new system is introduced, and given the previous government's unwillingness to tackle the university funding crisis there were bound to be. But students and universities are already seeing the benefits of change, with an extra £165m for next year to improve standards and access. This will allow us to double access funds, helping part-timers in particular, to exempt postgraduate teaching students from course fees and to provide an extra £250 hardship loan to those who need it.

DAVID BLUNKETT
Secretary of State for Education and Employment
House of Commons
London SW1

Sir: Thank you for your praise in your leader on student tuition fees. But contrary to your implication, it is not the intention of the National Union of Students to frighten would-be students away from higher education to make a point in our campaign; the evidence is clear that the prospect of paying university tuition fees is killing ambition among potential students.

Parents will not be relieved of their contribution towards their offspring's living costs. Access to part of the maintenance loan will be means-tested, so better off families will be denied the cheaper state loans.

The tuition fee is the real deterrent. This must be paid up front by those parents assessed to pay all or part of it, and contrary to the repeated assertions by backbench Labour MPs in the media, there will not be a loan for the tuition fee. The Government have made this clear to us and clear to sixth formers and other would-be students in their leaflets, letters and other promotional materials, but the message has not been given to their own representatives, prolonging the confusion over the terrible plan for tuition fees.

It is time for the Government to go back to the drawing board. There is no point inventing a new system of university funding unless you can persuade people to study.

DOUGLAS TRAINER
National President
National Union of Students
London N7

Minimum wage

Sir: Ian McCartney, Minister of State at the Department of Trade and Industry, is not exactly correct when he states (Letters, 1 December) that "all sectors of business also support the principle of a minimum wage".

The bulk of Britain's businesses are either micro (less than 10 employees) or small (less than 50) and some 97 per cent employ fewer than 20. While these may support a reasonable wage negotiated at local level, many worry that if a statutory, national, minimum wage is set too high then many will have to shed staff.

The much-vaunted US minimum wage applies only to industry and is set so low that employers pay it anyway. Despite promises to help small businesses, we are still to be made criminals, fined and penalised.

BERNARD JUBY
Chairman
Trade and Industry Policy Unit
Federation of Small Businesses
London SW1

Green Japan

Sir You describe Japan as "a wasteful country, with a poor record on recycling" ("Japan fears a bumpy ride on road to climate deal", 1 December). All evidence here points to the contrary.

At railway stations there are separate rubbish bins for newspapers, cans and bottles. Similarly at offices and in the Japanese home, rubbish must be separated into categories, otherwise it will not be taken away. It is common here for neighbours to search through offending rubbish in order to find an envelope with the address of the depositor on, in order to return it.

There are recycling facilities at supermarkets for items such as milk cartons (which must first be washed and cut and laid flat. I'm not kidding.) There are also special rubbish collection days for items such as batteries and polystyrene.

PETER JUETT
Saitama, Japan

Sir: Nicholas Schoon is right to ask what difference it will make to have information on air pollution made more widely available ("Appliance of science to smog alerts", 20 November). The answer, of course, is that those who suffer ill-health because of traffic fumes, up to 15 million in the UK, will now know when to stay as prisoners in their own homes.

Michael Meacher may take pride in a reporting system that leads the world, but the desperate need now is not for information on how poisonous the air is, but for clean air itself. The Government must commit itself to reducing pollution by tackling the causes of pollution, in particular traffic.

ANDY SPRING
Enfield,
Middlesex

After the hunt

Sir: I think it is absolutely right and proper that an MP should put a Bill through Parliament outlawing the premeditated, conscious and appalling abuse of helpless animals perpetrated for the relish of an unenlightened section of the population. I look forward to the introduction of the Cruelty to Animals (Battery Farming) Act.

ALAN BURLES
London SW11

Ah, the thrill of the chase, the trail of the fox, the cars moving in for the final kill …

MILES KINGTON

"Did you know that most foxes are killed not by fox-hunting or shooting, but by being run over on the road? That more foxes are run over than are culled by *all* other methods put together? Yes, fox-motoring is by far the best proven method of cutting down on fox numbers! And yet Parliament is even now trying to make things more difficult for us, maybe even kill the sport!"

The speaker is Bernie Purdue, who lives in Kent and has been running over foxes almost as long as he can remember. He learnt to enjoy the sport first with the hunting group known as the Faversham Shoppers, but after going out fox-motoring round about the county with different outfits, he now goes out with the London-Kent hunting group known popularly as the M25 Late Late Crowd.

"We go out four or five times a week, into London in the morning and back again in the evening. The evening is the best time for fox-motoring. Well, obviously, because that's when the fox is out. I mean, you can't get a fox if he's in his hole, can you? So we don't get many foxes in the mornings. Only reason we go out in the mornings, really, is so that we can come back in the evening. That's when the fun starts. And now they're trying to take it away from us."

Which particular measure is he thinking of? After all, they're not trying to make fox-motoring illegal, are they?

"All but, mate, all but. They're cutting back the road-building programme. They're trying to cut back on the number of cars. They're trying to cut back on the speed of cars. Worst of all, they're trying to get public transport better!"

What's wrong with that?

"What's wrong with improving public transport? Oh, come on! When did you last hear of a bus running over a fox? They're not up to it! Far too slow and unwieldy. It's only cars that can do it. But everything is being stacked against us. I mean, the new government is already urging us to slow down for Christmas. How can we get a fox if we slow down? They are telling us we can't have any more roads. How can you lure more foxes out if there aren't the roads to lure them on to?

Bernie Purdue, as he speaks, is slowly getting into what he will be wearing for his run home tonight. He'll be putting on a nondescript coat, trainers, anonymous shirt and shabby leather gloves. It's not very … well, glamorous, is it?

"And that's another thing – people are always expecting fox-motorists to be all posh and stuck-up, wearing sheepskin jackets and smart caps, maybe even chauffeur-driven with smoky windows to keep out the gaze of the masses …! Well, it's not like that! You'll find a real cross-section of the public out there running over foxes! Rich and poor, posh and humble. That's the glory of fox-motoring! It appeals to everyone, high or low. And if they try and wipe us out, it'll be a whole way of life gone. Do you know that the first recorded fox to be run over was in 1903, in Beckenham? How are we going to celebrate the centenary if people go on cracking down on the poor old motorist? We'll be reduced to getting the occasional hedgehog at this rate. And have you ever thought of the jobs that would be lost, all the garage and servicing and petrol-filling and bodywork repair jobs? All the simple craftsmen who depend on fox-motoring …?"

Yes, but hold on a minute. Surely fox-motoring is a very haphazard way of eliminating foxes? And what has he got against foxes anyway?

"What have I got against …? You must be joking! Foxes are the most incredibly destructive animal. They cause the most awful damage! Paw marks all over the bodywork, scratches and bite marks on the paintwork, blood all over the place after a kill, dented panels … you name it."

Yes, but many a motorist could go for years without even seeing a fox. So what's the point?

"It's the sport of it," says Bernie simply. "It's the exhilaration of getting out there on the open road, headlights blazing, knowing that any moment a fox might run across the road and under your wheels …"

Might you not also get a stoat or rabbit or pheasant?

"Yes, you might," says Bernie, visibly brightening. "Or with luck you might even get a cyclist."

They're not legitimate game, surely? Cyclists are human, aren't they?

"Matter of opinion," says Bernie. "Anyway, all I'm saying is that if you've been out for a spin and even if you haven't hit anything, you still come back feeling on top of the world. It's a tremendous feeling. You'll never know what it's like if you don't do it. Want to come for a spin? Light's fading, wildlife is coming out – we might get something …"

I made an excuse and went back to London by train.

هكذا من الاصل

A political battle that the military is sure to win

DONALD MACINTYRE
DEFENCE EXPENDITURE

Not long after the election George Robertson, Secretary for Defence, came to a Cabinet committee meeting and chirpily told his colleagues he had some good news to impart. The German government had now decided to give the Eurofighter project the go-ahead. His announcement failed to have the desired effect on at least one of his colleagues, Gordon Brown, Chancellor of the Exchequer, who reacted by rolling his eyes heavenwards, rather as he had done a few days earlier when given the same information by Theo Waigel, the German finance minister.

Given that Eurofighter will gobble up £16bn over 30 years, Mr Brown's evident lack of enthusiasm is pretty understandable. It also presages what could yet prove to be one of the big looming internal conflicts of the current Parliament: whether or not the defence budget can yield up some of the money which is needed to fulfil the pledges to spend more on health and education. Ask almost any minister where this money will come from and they mention, almost mechanically, social security and defence. These are, after all, the biggest budgets. Since part of the thrust of welfare reform is to reduce social security spending, the DSS is a natural candidate for cuts. But expectations of defence also yielding up some of its treasures are also high. The unilateralist tendency in the Labour Party is disappearing fast. But there are quite a lot of impeccably New Labour MPs who believe there is plenty of peace dividend still to come.

Savings in the defence budget are an issue tailor-made for Gordon Brown. There are not many issues in which it can be left-wing to cut public expenditure. Defence, by contrast, has the potential to be the issue over which Brown the true Labour radical, and Brown the Iron Chancellor most perfectly converge. The Treasury has anyway long been deeply sceptical of the defence budget. Norman Lamont as chancellor got so fed up with the arguments deployed in favour of the arms bill, that he once wrote a Cabinet minute daring to question the point of Britain's permanent membership of the UN Security Council. Brown, with a highly developed sense of Britain's international leadership role, isn't remotely of that cast of mind. But he has been ruthless over the past few weeks in exposing elements of expenditure that the Ministry of Defence would no doubt rather prefer to keep from Treasury eyes.

But MPs expecting deep cuts in defence should not get their hopes up too high. It isn't generally realised quite how deep were the cuts made by the Tories, largely because it is not in the Tories' nature to take credit for such a thing. Since the mid-1980s defence spending has been reduced by 29 per cent – leaving its share of GDP at 3.5 per cent, the lowest level since the 1930s. Since 1990, armed forces levels, despite the current presence in Bosnia and Northern Ireland, have been reduced from 315, 000 to 215,000. These figures are important for two reasons. First, they dramatise the dangers of further cuts. The Treasury is quite right to point out, as it has been doing, that the switch of £160m from Defence to Health this autumn passed without a murmur. If the Labour Party of the early or mid-1980s had promised anything similar, it would have been regarded as yet another proof of its softness on defence. But the Tories would nevertheless be merciless in exploiting the still raw memories of Labour's unilateralist past if the Government continued cutting at anything like the rate of the previous one.

Secondly, and this may illustrate a deeper truth, Labour is not naturally the defence cutting party. Margaret Thatcher's reputation as the Iron Lady was in fact built on the decision of her Labour predecessor, James Callaghan, to raise in the late 1970s defence spending by 3 per cent a year – a growth sustained until she herself sanctioned reversal of that trend in around 1985. Before the election Tony Blair promised several people that Labour was the party radically to reform the welfare state because Labour had brought it into being. In the same way, it may be that the Tories can cut defence in a way that Labour can't.

But this has to do with more than just mere electoral politics. It has equally to do with Blair's own vision of Britain's role in the world, expressed most forcibly in the Mansion House speech. This was the most unequivocal statement yet of his view that "we need strong defence, not just to defend our country, but for British influence abroad … we must not reduce our capability to exercise a role on the international stage." The composition of the Ministry of Defence is, I think, no accident. Three of the ministers, Lord Gilbert, John Spellar and Robertson himself, are bastions of the old Labour right, veterans of the anti-unilateralist struggles of the 1980s. It's true that the armed forces minister John Reid has different political antecedents; but as a close ally of Neil Kinnock in the early 1980s he worked hard to edge Labour's defence policy back to the political mainstream. He also happens to believe strongly in a role for the armed forces which goes well beyond readiness for the post-Cold War threats, such as Iraq, and into that of peacekeeping and engagement which may not be confined to the direct promotion of British interests.

There will no doubt be big changes as a result of both the Strategic Defence Review and the parallel, Treasury-led comprehensive spending review of defence. There will be new efficiencies; including, no doubt, an end to the triplication of many bureaucrats and military staff serving each of the three services. I would not bet on the Government buying all of the 232 Eurofighter aircraft to which they are committed. More tanks will be mothballed on the European front than the Army would like. But some of those who call most vociferously for cuts are also, as the left-wing MP Andrew McKinley pointed out in a Commons defence debate last month, those who will say fastest that something must be done if war breaks out again in Bosnia. There will be a battle within the Cabinet, especially if welfare reform fails to yield the social security cuts hoped for it. There may be some modest savings to be used for health and education. But defence is unlikely to prove the pot of gold that some other spending ministers hope and expect it to be.

There's no escape from the world of the global commercial

SUZANNE MOORE
CELEBRITY ADVERTISING

Pizza salesman: a foretaste of Mikhail Gorbachev's new career in advertising Photomontage: Jonathan Anstee

It is the year 2012. There is a Teletubbies revival and Baby Spice has just taken over as the new landlady of the Queen Vic Internet Salon in *EastEnders*. Tony Blair is still everywhere. He may no longer be Prime Minister but he appears regularly on our TV screens advertising a new chain of restaurants, Planet Politics. Having already done rather well out of endorsing private health care plans, he, Bill Clinton and Lionel Jospin have got together a nice little franchise in which you can eat turkey burgers – the last remaining cow was publicly executed several years ago amidst a display of digitally mastered world leaders.

Others of his ex-ministers are also cashing in. There is Lady Mowlam in another wacky Guinness commercial and Peter Mandelson flogging the very latest surveillance technology, Harriet Harman has endorsed the latest contraceptive device (a form of electronic tagging), while Jack Straw has been reduced to voice-overs for personal alarms. No one begrudges them the money though; there is a feeling among the advertising industry that celebrity endorsements are no longer where it's at. There are just so many damn celebrities selling so many damn products that the public has become sceptical. Market research shows that the only celebrities the public trusts are the ones who refuse to advertise dogfood, and since Dennis Skinner has cornered that market, that leaves hardly anyone.

Actually this future is not so far off. Nigel Lawson, Ken Livingstone, Denis Healey, Fergie, George Bush and Henry Kissinger, among others, have all lent their name to one ad campaign or another. Mikhail Gorbachev, the last leader of the Soviet Union, is the latest to succumb to the lure of filthy lucre. He has just shot a television commercial for Pizza Hut for which it is reported that he was paid close to a $1m.

In the ad he arrives at Pizza Hut by limousine and the other diners notice him. One pipes up, "Because of him, we have economic confusion." A younger man disagrees, saying, "Because of him we have great opportunity." Some argument takes place until an older woman says, "Because of him we have things like Pizza Hut." Everyone rises and give a standing ovation to Mr Gorbachev, holding their pizza slices aloft in tribute. The former leader does not actually eat any pizza but smiles benignly as his granddaughter tucks in.

There are no plans to show the advert in Russia, which is just as well as Gorbachev is extremely unpopular there. The ad has already been ridiculed by the Russian press; but since leaving office, Gorbachev has done a number of odd jobs. He has been a newspaper columnist, after-dinner speaker and appeared in a Wim Wenders film talking about Dostoevsky. He has also made another ad, for Apple computers in Germany. Yet he realises that this Pizza Hut commercial is a new step. He had previously considered it "unsuitable" for someone of his standing. But as Marx didn't say: in the ideological battle between capitalism and communism, fast food will always triumph.

Does buying up "integrity" in the form of endorsements from ex-politicians really work? Gorby gets his dosh and Pizza Hut gets an ad that people will talk about for a week or so; but will it make us buy more pizza, which is what it is all in aid of?

To see a former world leader advertising a rather tacky food chain has novelty value, but surely in some way it devalues the reputation of that leader. In our hearts we know that politics and commerce are not two mutually exclusive areas, but much of the time we like to pretend that they are. The idea that all politicians can be bought, one that we are unfortunately familiar with, eventually contributes to our lack of respect for them. The sight of Fergie desperately slurping cranberry juice is not a pretty one, yet Fergie really has nothing to lose in the credibility stakes.

However, even non-politicians have to be careful here. The Spice Girls have made the mistake of lending their names to so many products that their endorsement has become meaningless – cola, crisps, body spay. You name it they have overkilled it. The result is that their own branding has suffered.

While it may be easy to criticise particular individuals for selling out to the ad industry, the real story in advertising is not about celebrities as products but about the way advertising now forms the environment in which we live. The refusal of the Government to ban tobacco advertising was in part an admission that it could not effectively enforce such a ban.

The current battle between Adidas and Nike about who is to be most visible during the 1998 World Cup finals involves huge sums of money – Adidas has paid £20m to be one of the official sponsors of the tournament – as well as complicated strategies to ambush each other's ad campaigns. As it is, an estimated 500 million people will watch the games, and it will only take a small percentage of them to go out and buy these trainers for either company to boom. Even those who don't buy them will have great brand recognition. Indeed this kind of sponsorship gives these companies such sophisticated and ubiquitous product placement that Nike was happy to pay £250m over 10 years to sponsor Brazil.

Much of leisure, whether it involves sports or computing, takes place in environments that are totally monopolised by huge companies – from Nike to Pepsi to Microsoft – that are becoming virtually impossible to regulate. This is part of what globalisation means. There is little in the culture that cannot be used to sell to us. One by one, every "classic" pop song is used up, whatever the reputation of its creators. Thus the Velvet Underground can sell us tyres, Lou Reed the BBC and Janis Joplin's ironic ditty "Oh lord wont you buy me a Mercedes Benz" is used without a trace of irony to sell us Mercedes Benz.

All of this means that the existence of a space outside of advertising, outside of consumerism, becomes smaller and smaller. When everything and everyone becomes pure product to help shift other product, then maintaining brand recognition takes up more and more time, space and money. The stimulation of consumer desire is a massive operation.

In such a context, ex-world leaders like Gorby, selling their souls for a slice from the big pizza, are actually small fry, because when everyone and everything is for sale, because when it is assumed that ultimately every one has their price, we are all cheapened. It is not the ads that are beamed into our living rooms that we need to worry about as much as the fact that the backdrop of much of our lives is now little but an advertising hoarding. Gorby should have just said no. The rest of us don't have much choice.

Memo to the Iron Chancellor: don't pick fights you can't win

RUPERT CORNWELL
THE EUROPEAN PRESIDENCY

This may not be the decent moment to do so, but cast your mind back to the last time Britain held the Presidency of the European Union, five long years ago. This morning, Tony Blair ushers in our six-month term with some New Labour fun and games at Waterloo Station – a rousing speech, flashing videos and further national rebranding, all in the presence of dignitaries disgorged from a Eurostar train, symbol of our unbreakable ties with the lands beyond the Channel.

In fact of course we don't start the job until January 1, but custom now dictates that the incoming Presidency rings the celebratory bells a few weeks early. And this time they will have a distinctly sweeter chime. Labour after all has placed itself squarely "at the heart of Europe" and broken the self-defeating cycle of Tory Euroscepticism.

Or has it? Yes, there are new players, and the mood music has changed almost beyond recognition. But consider, uneasily, a couple of parallels between today and the second half of 1992. Then as now, a modest whiff of Europhilia was abroad in the land. The Maastricht treaty on European union had just been signed and John Major had secured his opt-out from the Social Chapter, supposedly saving Britain from creeping Euro-socialism. The federal beast, it had been proved, could be tamed. Maybe Europe wasn't so bad after all. We all know what happened next.

First Denmark rejected the Maastricht Treaty. Then that psychological setback was dwarfed by the humiliation of Black Wednesday, as the pound crashed out of the ERM. This time of course, there's no risk of watching half the Bank of England's reserves evaporate over the duration of a banker's lunch. But once again trouble is brewing over money – to be precise, the institutional arrangements for the ERM's successor, the single currency.

The Blair prime ministership will certainly not be destroyed by the issue as Major's was by Black Wednesday. But after six months of sweet-talk, the honeymoon with Europe is abruptly over. Gordon Brown is sulking and the Government is sounding, and acting, Old Tory. With one important difference, however. The Conservatives knew they could expect few favours in Brussels. Labour is getting the reverse of what it expected.

The row, to recap, is over whether Britain should be represented on Euro-X, the informal committee of Finance Ministers from the 11 (of 15) EU members who will sign up for the single currency launch in January 1999. Mr Brown, struggling to preserve Britain's claim to be a European pace-setter, says we cannot be excluded from what might become a crucial decision-making body. To which the others retort that Britain cannot have its cake and eat it – or, in the charming formulation of France's finance minister, that the common currency is a marriage, and "partners in a marriage do not want anyone else in the bedroom". And that was that. Our Iron Chancellor left with a flea in his ear, and a lesson learnt the hard way: don't pick fights you can't win.

For whatever happens, the Euro-club members will confer regularly among themselves on economic policy. The British can throw the rule-book at them and prevent them meeting on EU premises on the grounds that some EU members are being excluded: in which case the 11 can repair to a local brasserie to deliberate, or do the whole thing by conference call between their capitals. If they don't want the British along, they won't have them.

And to make matters worse, the quarrel was unnecessary, even counter-productive. All it has done is raise the profile of a committee which the Germans anyway would have made sure did not interfere with Bonn's goal of a single currency managed by a European central bank as austere, unbending and apolitical as the Bundesbank. And where had Mr Brown got the idea he might get in? Certainly not from the French at the Canary Wharf summit last month. Perhaps from the Germans. But force the Germans to choose between France and Britain on an article of European faith such as the single currency, and they'll go with the French. Thus was another miscalculation exposed. The Government thought that simply by dint of the fact they were not Tory, and because they talked positively about the European enterprise, their partners would fall over themselves to accommodate every British demand. Not so.

But all is far from lost. Despite the Euro-X spat, this Government is infinitely more benignly regarded in Europe than its squabbling and bloody-minded predecessor. And so to Waterloo and the Presidency, a six-month turn under the lights. True, Britain will be on the sidelines as the key EMU decisions are taken (who's in, and at what exchange rates). But Messrs Blair, Brown, Cook and the assembled cast will have every opportunity to shine, organising 50 summits and ministerial meetings over the six months, setting agendas, launching EU enlargement and driving through decisions on the environment, drugs and crime fighting – all grist for the Blairite mill of a "People's Europe." And finally there is the "bully pulpit" power of the EU presidency, of which the Government is making much.

But as Mr Brown found out this week, you can bully Europe only so far. More important is this new chance of reminding the domestic audience of the merits of the European Union. "Message" is something this Government excels at. There will be glitzy logos and catchy initiatives, all designed to implant the notion that Europe – and by extension the single currency the Government insists it wants to join – is a good thing. But first that Euro X business must be buried. Let Mr Blair grasp whatever face-saver is on offer at next weekend's Luxembourg summit, for nothing would do more to spoil his Presidency than endless headlines proclaiming "New Row over Europe". It wouldn't be 1992 all over again, but it could get very messy.

هكذا من الأصل

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FINANCIAL JOURNAL OF THE YEAR

Alsthom flotation arms GEC with £2.5bn war chest for acquisitions

GEC yesterday launched a long-awaited restructuring by announcing the flotation of the Anglo-French joint venture GEC-Alsthom, a £300m share buy-back and further disposals of UK industrial businesses. Once completed, the managing director George Simpson will have a £2.5bn cash pile at his disposal. *Michael Harrison* examines how he might spend it.

The flotation of GEC-Alsthom will take place in the first half of next year and is expected to value the power systems and transportation group at between £4bn and £5bn. GEC and Alcatel Alsthom are selling off 52 per cent of their combined holdings and have agreed not to dispose of the remaining 48 per cent for a year after the flotation.

On flotation, the company will be renamed Alsthom and will be listed in Paris, London and New York with headquarters in France. The sale will net GEC between £1bn and £1.3bn. Together with the £300m GEC expects to raise from the disposals of other UK subsidiaries and the £1.2bn already in the balance sheet. GEC will have a war chest of £2.5bn.

The proceeds will be used to finance acquisitions to bolster GEC's defence electronics business Marconi but Mr Simpson did not rule out returning more capital to shareholders in if it could not find businesses that would produce a satisfactory return.

The City broadly welcomed yesterday's announcements, the first real fruits of the restructuring programme since Mr Simpson arrived from Lucas 15 months ago and set out his blueprint for the future of the business in July. Pre-tax profits for the first half were 5 per cent higher before exceptional items at £442m, broadly in line with expectations. The shares rose 13.5p to 403.5p. Although GEC had been planning to sell all of its 50 per cent stake in GEC Alsthom, Mr Simpson described the partial flotation as "a perfectly satisfactory outcome". GEC and Alcatel will appoint an equal number of non-executive directors to the board and Mr Simpson said he did not expect the senior management of the company to alter.

The scale of the buy-back was limited by tax complications since share repurchases are classed as distributions for tax purposes and therefore liable to Advanced Corporation Tax (ACT). GEC has authority to repurchase up to £1.6bn of its capital but had it gone for a bigger buy-back it would have been left with surplus ACT when the tax is abolished in April, 1999.

Mr Simpson would not be drawn on the likely targets for GEC's acquisition spree but analysts were sceptical of how easy it would be for the group to find suitable deals. Last month it lost out to British Aerospace in the bidding for Siemens Defence Electronics and for the time being the French have ruled out foreign participation in the privatisation of the defence electronics group Thomson CSF.

Despite this Mr Simpson was upbeat, predicting that the re-organisation of the French defence industry would prove the prelude to it joining in a wider European consolidation that would inevitably involve GEC.

The UK industrial businesses which GEC expects to sell include its semi-conductor subsidiary GPS, Marconi Instruments and its aircraft chartering business. A handful of international trading businesses are also being sold.

Mr Simpson said GEC was continuing to work with Siemens to "reposition" their joint telecoms venture GPT. Having at first seemed intent on selling its 60 per cent stake, GEC may now hold onto it and may even seek to buy out Siemens holding.

GEC will appoint a new chairman early in the new year to succeed Lord Prior who retires in March.

At liberty to differ: Brian Myerson (left) and Denis Cassidy

Gloves off as family feud erupts at Liberty

A bitter family feud has broken out in the battle for control of Liberty, the upmarket Regent Street retailer. The founding Stewart-Liberty family looked certain to succeed in its attempt to oust the group's chairman. But yesterday the board said it had the support of three other branches of the Liberty family dynasty. As the insults start to fly, *Nigel Cope*, City Correspondent, looks at a messy squabble.

The Liberty board is now claiming it has the backing of 34 per cent of the group's shareholders and has a fighting chance of defeating a motion to oust Denis Cassidy, the group's chairman, at an emergency meeting next Thursday. The board says its support comes from several institutional investors (18 per cent) and three branches of the family who are cousins of the Stewart-Libertys (16 per cent).

This group consists of around 25 members of the Blackmore, Moffett and Codling families. They are all descendants of Emma Louise Blackmore, the second wife of Liberty's original founder, Arthur Lazenby Liberty. As the couple had no children, control of the company passed to the Stewart-Liberty family.

Some insiders say that the Blackmores, Codlings and Moffetts may have decided to back the board as they have been unimpressed with the performance of the company in which the Stewart-Liberty's have long had a dominant role. The other branches of the family have never had any management input into the business.

It is clear that the battle for control has caused a serious rift between the various family factions. One family member backing the board said yesterday: "What the family has done is devious and despicable and we cannot understand why Elizabeth Stewart-Liberty (who requisitioned the EGM in October) is taking this action."

Elizabeth Stewart-Liberty, the widow of the group's previous chairman, Arthur, requisitioned the meeting to oust Denis Cassidy because the family was unhappy over the company's performance and the board's plans to spend £43m on re-developing the group's flagship Mock Tudor store in London's Regent Street. The plans include a food hall and restaurant on the upper floor.

She joined forces with rebel investor Brian Myerson who has a 17 per cent stake even though she had been strongly critical of him in the past. The concert party now has the backing of 47 per cent of the votes.

However, the rest of the board have said that if Mr Cassidy goes they may feel in an untenable position. The advisers have all threatened to resign while the group's bankers may review the funding support for the refurbishment.

The board was in upbeat mood yesterday and has sent out an additional circular to investors. Andrew Garety, finance director said: "We think the vote will be very close. This is why we have sent out another document to remind people that they will not be wasting their vote."

Odile Griffith, the financial representative of the Stewart-Liberty family, disputed the board's level of support yesterday and said the family was confident they would win. "Come Thursday, everything will be revealed."

Though Mr Cassidy and the board still look unlikely to win there are still several blocks of votes to play for. There are several institutions account for 13 per cent of the company, which have yet to show their hand. But the final outcome could well come down to the few hundred private shareholders who control five per cent of the company.

Reuters in £1.5bn shareholder handout

Reuters finally found a home for its growing cash pile yesterday with an innovative scheme to return £1.5bn to its shareholders. *Peter Thal Larsen* finds that a whole host of other companies are waiting to follow suit in swapping debt for equity.

The financial information provider is effectively bidding for itself. A new holding company – Reuters Group plc – is to offer 13 new shares and £13.60 in cash for every 15 existing Reuters shares. The move will return a total of £1.5bn to shareholders, leaving the company with net debt on its balance sheet for the first time since 1981.

Rob Rowley, finance director, said the move would improve the company's return on capital. "When you have cash earning a 5 per cent return and shareholders looking for 10 per cent you have a bit of a drag on your performance," he explained.

Mr Rowley said the plan would cost Reuters about £30m in one-off tax and other costs, but avoided the huge Advance Corporation Tax (ACT) bill that share buybacks normally incur. "If we had not done this the scale of the deal would have been limited to half the size," he said. Although Gordon Brown, the Chancellor, announced the abolition of ACT last month, it will not be fully phased out until 1999.

Investors have long criticised Reuters for hoarding cash. An attempt to return £613m to shareholders last year was thwarted when the Inland Revenue changed the rules on tax credits attached to special dividends. However, Reuters said the new scheme had full approved Inland Revenue approval.

The announcement went down well with investors, who pushed Reuters shares up 30.5p to 710p. "It's good news," said an analyst. "It should improve their return on capital."

The move is expected to release a wave of capital from other companies eager to hand back cash to shareholders. SBC Warburg Dillon Read, the merchant bank which designed the Reuters scheme, is talking to at least another six companies with similar plans. "The pipeline is fuller now than it has ever been," said corporate financier Max Ziff.

Warburgs calculates that over £9.5bn has been returned to shareholders by companies since October 1996. But that's just a small proportion of the amounts companies could hand back. "UK plc is undergeared compared with the rest of the world," said Mark Tinker, UK equity strategist at investment bank UBS.

He calculates that if British companies took on the same level of debt as companies elsewhere, they would be able to buy back shares worth £100bn. Cash-rich companies like Marks & Spencer and Bass are prime candidates to take on more debt.

Mr Tinker said the abolition of dividend tax credits in July's budget had reduced the attraction of dividends for investors, making it easier for companies to buy back shares. However, the continued existence of ACT - which requires companies to pay tax up front on any money they pay to shareholders — made large buybacks impossible, prompting groups like Reuters to devise complex schemes that avoided ACT.

Now that ACT is to be abolished, however, companies will be free to buy back as many shares as they like. Indeed, Reuters announced yesterday that, in addition to the £1.5bn pay out, it would buy back shares worth £200m during 1998.

Pru offers £7.4m pensions olive branch

The Prudential yesterday admitted it had yet again missed another deadline for dealing with top priority pensions mis-selling cases. But, in a conciliatory move, the company has despatched £7.4m to those customers whose cases have yet to be completed. *Lea Paterson* reports.

The Prudential, the UK's largest pensions provider, has missed its third pensions review target this year. Its regulator, the Financial Services Authority (FSA), wanted it to complete all 31,000 of its top-priority pensions mis-selling cases by the end of last month. But yesterday, the company said that difficulties in obtaining data meant it had completed only 91 per cent of cases. "With hindsight, we underestimated the complexity of the exercise", said John Elbourne, managing director of Prudential Assurance.

However, last weekend, the Pru sent out £7.4m in cheques to the 3,000 people whose cases the company has been unable to complete. Families of customers who have died during the review will each receive £10,000. Those who have retired will receive £2,500.

Mr Elbourne was keen to stress yesterday that the advance payments had "no strings attached". Customers who cash in their cheques are not obliged to accept the Pru's final offer. Nor will customers have to repay the Pru if the final offer falls short of the advance payment.

In recent months, the Pru has been subjected to stinging criticism from both Helen Liddell, the Economic Secretary to the Treasury, and the FSA (then known as the Securities Investment Board) for dragging its feet in the pensions mis-selling review.

The company missed regulatory deadlines in both June and September, prompting the FSA to declare in October that the Pru had failed to act with "due skill, care and diligence". Following this "naming and shaming", Sir Peter Davis, the Pru's chief executive, publicly apologised to the victims of mis-selling. Speaking on BBC2's *The Money Programme*, he said: "We're very sorry about those who have been hurt and we're doing everything we can to try and deal with the issues".

The Pru's advance payments are not substitutes for full recompense for pensions mis-selling, as emphasised by both the FSA and the Treasury yesterday. A spokesperson for the FSA said: "Measures that are beneficial to investors are always welcome, but this does not mean that the cases are complete". A spokesperson for the Treasury agreed, saying: "We welcome it [the advance payment initiative] as an earnest of good faith, but it is not a proper substitute for a prompt, full and fair settlement".

Mr Elbourne said yesterday that the Pru had been unable to meet last month's regulatory target because customers had failed to return information essential to the review. The Pru hopes that the weekend's advance payments will prompt customers to provide the data the company needs. Mr Elbourne added that the Pru has received 500 calls to a special pensions helpline since the cheques were despatched.

The Pru's next deadline is the end of December, by which time it is required to complete 90 per cent of lower priority, so-called "Priority Two and Three", cases.

Another executive to go at BSkyB

BSkyB is bracing itself for the resignation of another senior member of staff as Jeremy Boulton, director of programme acquisitions, is poised to quit the satellite broadcaster for a similar position at the newly invigorated ITV.

According to well-placed industry sources, Mr Boulton is to join ITV as controller of acquisitions, replacing Jeff Ford, who left recently for Channel Five. The move will come as a blow to BSkyB which, under its new chief executive, Mark Booth, is trying to increase its investments in programming.

Mr Booth, who formally took over from Sam Chisholm last month, said earlier this week that BSkyB would start making made-for-television films with budgets of up to £5m. The satellite broadcaster has also been looking at taking minority stakes in independent production companies, although it is now thought to have backed away from that approach.

The latest departure follows a succession of senior staff changes triggered by the exit of Mr Chisholm. He resigned in the summer due to ill health, and his deputy, David Chance, also said he was stepping down, although he remains as a consultant. Since then, Richard Brooke, finance director, has quit, and, most recently, Jim Hytner, marketing director, left the company to take up the same post at Channel Five.

The resignations - combined with regulatory challenges - have hit the company's share price hard. From a peak of 662.5p early in the year, BSkyB has plunged to just over the 450p mark. Last night, the company closed up 6.75p at 461p.

Mr Boulton was not available for comment last night, and ITV Network Centre also refused to return calls.

However, Mr Booth said at the beginning of the week that there was likely to be continued turnover among BSkyB's top management.

Mr Boulton's decision to join ITV comes at a challenging time for the network. Richard Eyre, formerly chief executive of Capital Radio, was appointed chief executive of ITV earlier this year, with a brief to unify the disparate owners of independent television, and revive the dwindling audience share. Mr Eyre was joined in August by David Liddiment, previously Granada Broadcasting managing director, who became director of programmes.

– *Cathy Newman*

Halifax raises mortgage rates

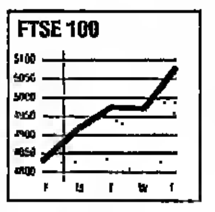
Up to 2.5 million households are to face higher mortgages from next year following the decision by the Halifax, the UK's largest lender, to raise the cost of borrowing. The news dampened the relief felt across the country after the Bank of England's Monetary Policy Committee voted to keep the base rate on hold at 7.25 per cent.

Halifax will raise its standard variable mortgage rate by 0.25 per cent from 8.45 per cent to 8.70 per cent immediately for new borrowers, and from January 1 for existing borrowers, adding £7.54 to the current annual monthly mortgage payment on a repayment mortgage of £373.77 on a £50,00 loan.

It said it was a delayed reaction to the last increase in interest rates. Deputy chief executive Gren Folwell said: "We believe that this will not have a detrimental effect upon the housing market and we are optimistic what the continued gradual improvement in house prices will continue into 1998."

Base rates unchanged, page 27

STOCK MARKETS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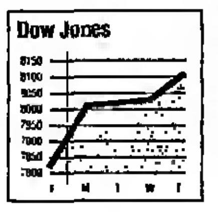
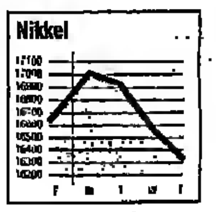

Dow Jones

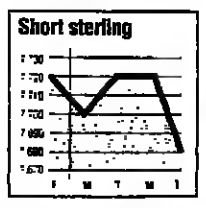

Nikkei

*Dow Jones index and graph at 5pm

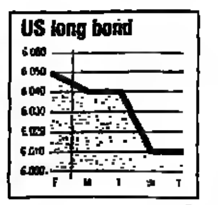
Indices

Index	Close	Change	Change(%)	52 wk high	52 wk low	Yield(%)
FTSE 100	5082.30	111.60	2.25	5367.30	3882.70	3.46
FTSE 250	4724.50	32.10	0.68	4963.80	4321.80	3.37
FTSE 350	2442.80	46.50	1.94	2570.50	1935.70	3.44
FTSE All Share	2385.05	43.40	1.85	2507.68	1942.22	3.43
FTSE SmallCap	2291.4	12.50	0.55	2407.40	2127.50	3.33
FTSE Fledgling	1247.6	3.10	0.25	1346.50	1198.70	3.38
FTSE AIM	970.6	1.50	0.16	1138.00	965.90	1.07
Dow Jones	8108.10	73.81	0.92	8299.03	6236.05	1.68
Nikkei	16306.79	-278.72	-1.68	21001.90	14966.13	0.95
Hang Seng	11474.94	267.36	2.39	16820.31	8775.88	3.70
Dax	4139.80	56.91	1.39	4459.89	2760.76	1.78

INTEREST RATES


Short sterling


UK 10 year gilt


US long bond

at 5 pm

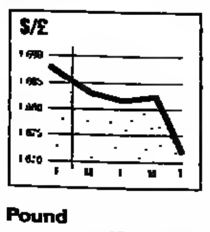
Money Market Rates					Bond Yields			
Index	3 month	1 yr chg	1 year	1 yr chg	10 year	1 yr chg	Long bond	1 yr chg
UK	7.75	1.34	7.93	0.97	6.45	-0.97	6.40	-1.26
US	5.94	0.44	6.03	0.34	5.81	-0.29	6.01	-0.38
Japan	0.71	0.24	0.79	0.20	1.82	-0.70	2.45	-0.72
Germany	3.76	0.52	4.09	0.81	5.39	-0.38	5.95	-0.61

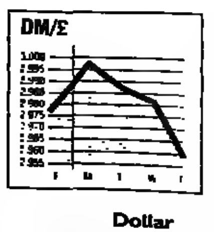
MAIN PRICE CHANGES

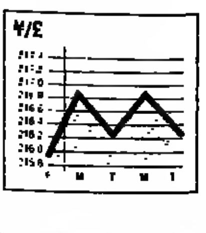
Rises	Price (p)	Chg (p)	% Chge
AEA Technology	483.00	40.00	9.03
Reckitt&Coleman	956.50	70.50	7.96
Norwich Union	393.00	25.00	6.79
Gen Accident	1078.00	67.00	6.63

Falls	Price (p)	Chg (p)	% Chge
Stakis PLC	100.00	-5.75	-5.44
Bellway	332.50	-11.00	-3.20
Reed Intl	618.00	-15.50	-2.45
Lonrho	90.50	-2.00	-2.16

CURRENCIES


$/£


DM/£


¥/£

Pound

	at 5pm	Change	Yr Ago
Dollar	1.6719	-1.24c	1.6385
D-Mark	2.9598	-2.10pf	2.5666
Yen	216.21	-¥0.39	185.91
£ Index	105.30	-0.10	91.80

Dollar

	at 5pm	Change	Yr Ago
Sterling	0.5981	+0.44p	0.6103
D-Mark	1.7693	-0.04pf	1.5515
Yen	129.32	+¥0.72	113.01
$ Index	107.50	-0.20	98.10

OTHER INDICATORS

* at 5 pm	Close	Chg	Yr Ago
Brent Oil ($)	17.89	-0.10	23.81
Gold ($)	288.65	-3.40	369.45
Silver ($)	5.30	-0.02	4.75

	Index	Chg	Yr ago	Next figs
GDP	113.80	3.80	109.7	Jan
RPI	159.50	3.7	153.81	Nov
Base Rates		7.25	6.00	

www.bloomberg.com

source: Bloomberg

مصغرا من الاصل

The lazy route to enhanced return on capital

OUTLOOK

ON THE DANGERS OF REUTERS-STYLE CAPITAL DISTRIBUTIONS AND THE FUTURE OF GEC

There is nothing particularly new in share buy-backs, special dividends, capital reconstructions and the like, but they do seem to be sweeping corporate Britain right now as never before; the business of handing out large amounts of cash to shareholders has very definitely become a phenomenon.

Reuters and GEC yesterday became the latest to catch the bug - the former with a £1.5bn distribution, the latter with a £300m buy-back and the promise of more to come. It was tempting to think that Kenneth Clarke, the former chancellor, effectively killed these things off when he cracked down on dividend tax credits just ahead of his last budget. Remove the tax incentive, and capital distribution schemes would lose much of their appeal, was the general view. Not a bit of it. Since then, £9.5bn has been returned to shareholders over and above ordinary dividends and there are now more of these things in the pipeline than ever before.

What's causing companies to hare down this route? Are these handouts just another fee earning devise for investment bankers, a temporary and possibly financially quite dangerous corporate fad, or are there good reasons for companies to be doing this? Like most things commercial, the fashion comes from the United States, where capital distributions of the type launched by Reuters yesterday are now so common that they often go unreported.

Reuters and its advisers, SBC Warburg, have come up with a clever new way of performing the trick, even if it amounts to just a variant of the same thing; the company is bidding for itself. The effect is to structure the transaction as an exercise in capital rather than an income distribution, and thus allow Reuters to avoid paying advance corporation tax on the whole thing. This is particularly important for Reuters, since most of its earnings are overseas and it would therefore be unable to offset the ACT against its main UK tax bill.

Most companies are not in this position, and in any case would probably find the Reuters approach just too complicated and expensive to try. All the same, virtually every company runs up against some sort of ACT problem when it attempts a distribution of this sort, even though most can eventually offset the extra ACT liability against their main stream tax. All impediments will cease in April 1999, when ACT is abolished, and it will then be no holds barred. If you think there are already far too many capital distributions, just wait till then. According to one estimate, there is £100bn of potential for handouts in the UK stock market.

In business there are two ways of improving return on capital and thus shareholder value. One way is the self evident and wholly commendable one of striving for improved efficiency and general business success. But if this seems too much like hard work, there may be another. Plainly the rate of return also goes up if the cost of capital is reduced. Since debt is always a good deal cheaper than equity, because it is generally considered a less risky form of capital, it can obviously make sense to replace the equity with debt.

Some companies can halve the cost of their capital in this way, and produce a corresponding rise in the rate of return. This is very much the lazy route to improved return on capital, so it is not hard to see why it appeals to so many executives.

However, there are obvious dangers. If companies load themselves up with too much debt they may become unable to fund their interest costs when the economy turns nasty. That's probably not going to happen with a company as large and financially robust as Reuters, but it is possible with smaller more cyclical companies which have perhaps been forced too far down this road by a hostile takeover bid.

Furthermore, the phenomenon may have some adverse effect on direct investment in the economy. Logically it shouldn't, since reducing the cost of capital in a company should improve the expected rate of return on new investment and therefore make managements even keener to invest in new projects. However, this is very much theoretical, business school mindset which though it might strike a cord among some FTSE 100 companies, doesn't belong to the real world of ordinary business. For most companies, having cash in the bank makes the difference between making do with the old machinery and buying the new.

The argument for buy-backs also suffers from a fatal flaw. By loading up with debt, the company increases the cost of its equity, since by definition the remaining equity must become more risky. In very highly geared companies, the cost of the debt may also become excessive, simply because no one will lend on any other terms. In other words, there may be no net benefit to the cost of capital.

To assess the real effect of all these capital repayments on the fabric of our companies, we are going to have to await the next recession and cyclical peak in interest rates. Some companies are going to regret they ever listened to the investment bankers. In the meantime, everyone makes hay.

GEC will still have money to spend

Reuters rather stole GEC's thunder with its blockbuster buy-back but if George Simpson can successfully complete the reconstruction of the empire bequeathed by Lord Weinstock, then he will not mind too much. The strategy as set out is simplicity itself. Sell off the joint ventures in trains, planes and telecoms and reinvest the cash in acquisitions to turn Marconi into a world beating defence electronics business. Unfortunately, life is rarely that straightforward in the world of international defence manufacturing.

A year and a bit into the task, progress remains patchy. Mr Simpson inherited a business with a hopelessly inefficient balance sheet and a risk-averse culture. He has gone some way to addressing the latter handicap, notably with the streamlining of the management and the appointment as finance director of John Mayo from Zeneca, who can be relied upon to ginger things up.

But the net effect of yesterday's announcements, not withstanding the £300m share buy-back, will be to leave the balance sheet groaning under more not less cash sitting on deposit at Barclays. The flotation of GEC Alsthom should bring in £1bn while another £300m is likely to be raised from the disposal of the rump of GEC's UK industrial businesses. Together with the £1.2bn already on hand, Mr Simpson will have a war chest of some £2.5bn ready to spend on acquisitions. If GEC goes the whole hog and loads up with debt, then its spending power would be even greater.

The problem with having that sort of money burning a hole in your back pocket is that the market tends to see you coming. Mr Simpson knows this. He declined to pay the asking price for Siemens Defence and as a result lost out to his erstwhile colleague, Sir Dick Evans of British Aerospace.

Mr Simpson was not sharing his thoughts yesterday as to where else the money might be invested. But France looks to be off the menu for a while given the Jospin government's determination to keep its defence restructuring an exclusively Gallic affair. Openings also look limited in the US, where GEC would love to do some deals but keeps running into the brick wall known as the Pentagon black programmes.

That leaves the option of handing more cash back to shareholders. GEC pleaded tax problems for the modest distribution announced yesterday. But in his previous life, Mr Mayo was a high-flying corporate financier with Warburgs. After Reuters example yesterday, he will not be short of an idea or two.

Labour faces 'Yes Minister' rift over coal crisis

A policy rift has opened within the Department of Trade and Industry, after it emerged that senior civil servants attempted to block Labour's recent initiatives to defuse the coal crisis. *Chris Godsmark*, Business Correspondent, reports on the increasingly frosty relations which observers have likened to an episode from "Yes Minister."

The internal disagreements between ministers and officials over energy policy have come as Labour faced increasing criticism from mining unions and industry executives over the coal crisis.

John Battle, the Energy Minister, has been accused by unions of focusing too much attention on attacking Richard Budge, chief executive of RJB Mining, and too little time trying to prevent looming pit closures.

Sources close to the DTI said civil servants had tried to block Labour's two key policies designed to eliminate the bias against coal. The two civil servants involved are thought to be Jonathan Green, director of electricity with overall responsibility for the power industry, and Malcolm Keay, director of energy policy and analysis.

Labour's hastily assembled moratorium on further approvals of gas-fired power stations this week was opposed by officials, who argued it would conflict with the existing policy framework. It was only when ministers spotted press reports of concerns by National Grid over the dash for gas that they had the justification to overcome the resistance.

Mr Battle hinted at the rift during evidence on Wednesday to the Commons Trade and Industry Select Committee. He told MPs that the DTI did not have an anti-coal policy. "There's no bias against coal at all ... There's no downer on coal."

But Mr Battle admitted to the committee that the earlier move to review the Electricity Pool, announced in the autumn, had met with internal "resistance." The pool, the wholesale power market, is frequently blamed for encouraging the gas-fired power stations at the expense of coal.

The rift gives an insight into Labour's difficulty in changing policy in the DTI, the department which pioneered Thatcherite privatisation and deregulation policy. Sources also described a "Yes Minister" mentality over access to ministers.

Meanwhile power companies warned yesterday that the moratorium could block future coal-fired power stations' applications as well as gas-generation projects. The delay on further approvals applies to all generating licences from the DTI, including environmentally friendly combined heat and power schemes.

Byatt considers water pipe plans

New proposals to force water companies to open their pipeline networks to competition have been submitted to the Government by Ian Byatt, the water industry regulator.

In an interview with *The Independent*, Mr Byatt said yesterday he planned to use the Government's Competition Bill to promote so-called "common carriage," where competitors can gain access to water company pipes. The new Bill would give utility regulators and the Office of Fair Trading the power to intervene to ban anti-competitive behaviour.

"If a company were to unreasonably deny the use of its pipes that could be held to be a breach of competition," said Mr Byatt. Previous plans to connect pipeline networks of different water groups were unveiled by the last Government, but Mr Byatt said there were still "sitting on ministers' desks."

But Jeremy Bryan, managing director of Envirologic, the consultancy group which has pioneered water competition, questioned whether common carriage was the best way to achieve competition. "Some water company pipes are 100 years old and leak like a sieve. If you put high quality water in one end it won't come out that way at the other end."

Mr Byatt also said he expected to give the go-ahead to a landmark competition scheme by Enviro-Logic before Christmas. It would take over the provision of water and sewerage services to Shotton Paper in Wales, one of the largest newsprint producers, from Welsh Water.

Mr Bryan, who has spent five years bombarding Ofwat, the water watchdog, with competition proposals, said he was ready to begin work on the scheme as soon as he received a "green light" from the regulator.

Mr Byatt also issued a warning to water companies over the next five year price cap, which he has already said will see a substantial one-off cut in customer bills in 2000. He said the most efficient water companies would face the biggest cut in revenues, which analysts have predicted will be at least 10 per cent.

"A company which has done well in the current five year period would have a big cut to benefit customers," said Mr Byatt, adding that in the following four years of the price cap the company would face a less stringent regime than inefficient water groups.

The regulator also made clear the principle of a one-off cut was not negotiable, despite demands by the Environment Agency that the revenues should be redirected to investment in environmental improvements.

– *Chris Godsmark*

FI Group buys Indian computer company

FI Group became the latest in a line of UK technology companies to make a passage to India, after it announced yesterday that it was buying a New Delhi-based computer services company for £22m.

News that fast growing FI was making its first acquisition outside the UK plus a forecast from the company that profits for the current half year would be 54 per cent higher at £4.3m, sent FI's shares 107.5p higher at 845p.

Shares in the company were floated at 235p less than two years ago. The deal to buy 76 per cent of IIS Infotech with an option on the remaining stake will be part funded by a £14.6m one for 12 rights issue at 640p a share.

FI joins UK computer companies like Logica and Micro Focus which have spotted the potential of the booming Indian IT market. India already produces more IT graduates than the USA each year, which is attractive given the world-wide shortage of computer programmers to deal with the millennium crisis.

As Hilary Cropper, FI's chief executive points out, the cost of employing an Indian graduate is a third lower than a UK graduate, an important consideration given soaring wage inflation in the industry.

– *Sameena Ahmad*

Reed Elsevier

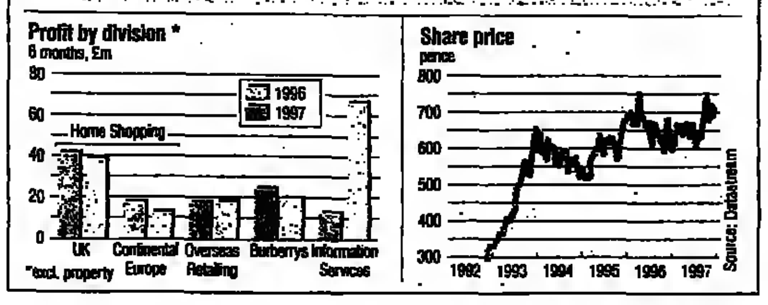
THE INVESTMENT COLUMN

EDITED BY SAMEENA AHMAD

Great Universal Stores: At a glance

Market value: £7.14bn, share price 710p (+25p)

Five-year record	1994	1995	1996	6 months 96/97	6 months 97/98
Turnover (£bn)	2.6	2.8	2.8	1.2	1.5
Pre-tax profits (£m)	371.1	386.3	378.5	236.8	254.1
Earnings per share (p)	36.9	38.4	37.6	15.6	17.3
Dividends per share (p)	15.0	16.4	18.0	5.5	6.0



GUS still has a long way to go

Turning around slumbering giant Great Universal Stores was always going to be a long haul for chairman Lord Wolfson. Yesterday's figures show there is still a way to go.

While half year profits edged up 7 per cent to £244m the improvement was due entirely to a strong performance from the Experian data base and credit rating business. Profits in all the retail businesses fell, some of them sharply though part was from a currency hit in continental Europe and at Burberry.

However, problems are not as bad as might appear and management is addressing the key issues. One is to drive the UK mail order business from its previous stagnant state.

Sales there increased by 6.4 per cent over the previous half partly due to including more higher risk customers. But profits fell due to improved services costs such as better response and delivery times.

Buying sales growth with lower credit scoring customers is increasing bad debt ratings, though GUS reckons sales will be stronger in the long run.

The £20m deal to buy four direct mail order catalogues from Burton will take GUS's direct mail order sales to more than £100m and it is clear Lord Wolfson would love to do larger deals.

At Burberry, the City knew sales were under pressure, but news of trading through unlicensed distributors in the brand causing a hit of up to £8m was a surprise.

Lord Wolfson admitted it showed lack of supply controls that will now be tightened up.

The real bonanza for GUS has been Experian. Acquired for £1bn a year ago, it is performing strongly and now accounts for a third of GUS profits.

Other bolt-on deals are expected here and the balance sheet will show £500m of cash by the spring to fund them.

Assuming full year profits of £580m, the shares – up 25p yesterday to 710p, trade on a forward rating of 18. High enough for now.

Salvesen should have accepted bid

Here's a simple question. Would shareholders in Christian Salvesen be better off now if the logistics group had not rejected Hays' mooted cash bid 18 months ago? The answer is a resounding yes. A bid from Hays would have been worth at least £1bn or 390p a share, ex-dividend.

Compare that with the current combined value of the demerged company – Salvesen, the rump distribution group, and Aggreko, the bigger power hire business.

Even after yesterday's 9p rise in Salvesen's shares to 103p and Aggreko's 5.5p rise to 164p, and including Salvesen's recent £150m special payout, investors own shares worth 318p. And that is after a 15 per cent or so hike in the market since Hays' first showed interest.

Given his legacy, Chris Masters, Salvesen's ex-chief executive who fought off Hays and is now running Aggreko, must be amazed he has a job at all. What should investors do with their shares now? The hire market for power equipment is booming, particularly in the US, Aggreko's largest market, and there are opportunities in Asia.

Aggreko's shares have outperformed the market by around 5 per cent since demerger and are on a 15 per cent market premium next year. Lower than Hays', it is fair as Aggreko is smaller and growing more slowly. Investors should hold on. Salvesen is a harder call. Its food services business, 15 per cent of the total and hit by the poor pea harvest, is dire and should be sold. However, Swift, Salvesen's overnight delivery service is growing fast and margin pressures in food retailing distribution are easing.

The yield next year will be a good 6 per cent, and there is the chance of a bid. The unknown is chief Edward Roderick, ex-Hays, and markets are still tough. However with Salvesen on a 25 per cent market discount, hold.

Pitfalls for a motor dealer

Does the stock market need another car dealer? As an industry, motor distributors suffer from wafer-thin margins, overcapacity and low growth prospects. Not to mention the grip exerted over their businesses by the car manufacturers. Most dealers have made appalling investments.

Sytner, founded and chaired by former racing driver Frank Sytner, is better than most. In the three years to December 1996 profits rocketed from £480,000 to £2.67m. A further rise to £6.5m is forecast for 1997.

Much of the growth has come from acquisitions. But Sytner has also squeezed better sales out of the dealerships it takes over. It plans to use the £16.9m float proceeds – a further £6.2m will be shared between venture capitalists and directors – to expand and take on new marques like Jaguar.

There are pitfalls, however. Manufacturers will jealously limit the number of dealerships Sytner is allowed to take on. An environmentally inspired tax on gas guzzlers would also hurt Sytner more than most.

It may be one of the best car distributors around. But at 230p – a multiple of 11 times forecast earnings – the shares are not worth chasing.

Centrica pays £440m to settle take-or-pay North Sea contracts

Centrica, the demerged British Gas supply business, yesterday lifted a huge burden from its balance sheet, with £440m worth of deals to settle the bulk of its long running "take-or-pay" problem from high-price North Sea gas contracts. As *Chris Godsmark*, Business Correspondent, reports, the agreements with three oil companies yesterday mark the end of a two years of marathon negotiations.

At signing ceremonies in Amsterdam yesterday Centrica agreed to pay £365m to buy itself out of high-priced gas contracts with Conoco, Elf and Total in the biggest of renegotiation package so far unveiled by the company.

The contracts, most of which were signed in the early to mid-1980s, were to supply 6 million therms of gas. Though Centrica declined to specify the cost of the gas, it was thought to be committed to paying near to 20p a therm in the contracts, around twice the current market price.

The company also refused to reveal the new prices in the renegotiated contracts, but they are believed to near to the market price. It means the group's average purchase cost of gas has fallen from about 18p a therm to about 14p a therm. Centrica, which split itself off from the old British Gas in February, also revealed options to spend £155m by 2008 to buy out further contracts with Conoco. The arrangement, which will depend on the future level of gas reserves, involves a further provision of £75m from Centrica's profits this year, bringing the total bill to £440m.

It means Centrica has renegotiated about two thirds of its take-or-pay burden, or 46 billion therms, over the past year. Earlier deals included paying £295m to British Petroleum and an agreement with Mobil which cost £340m.

Ken Gardener, a director of Charterhouse Bank who has spent the past two years renegotiating the deals on secondment with Centrica, said the new prices were in line with the market price.

He said there were "two or three" smaller deals in the pipeline, the first of which would be revealed in the new year. Centrica shares rose 2.75p, to 92.5p.

"Centrica has a fighting chance to compete on a level playing field. We're clearing away the legacy of the past."

Rachel Beaver, analyst with ABN Amro Hoare Govett, said the deal had all but eliminated the take-or-pay problem. "This is also a major endorsement for the management. They said they would do this by the end of the year and they've delivered."

The take-or-pay burden emerged spectacularly in 1995, when the market price of gas plummeted to less than 10p a therm. British Gas had committed itself to buying gas at high prices in contacts which obliged the company to take delivery of supplies from producers or pay the equivalent cost in compensation, leaving a £30bn burden in its accounts.

Mr Gardener rejected suggestions that Centrica was paying too high a price to extricate itself from the contracts.

Wedgwood plans foray into Europe

Waterford Wedgwood, the Irish luxury crystal to crockery manufacturer chaired by Tony O'Reilly, is planning a march into continental Europe with a DM105.8m (£35.5m) offer to control Rosenthal, ooe of Germany's most famous porcelain makers.

The deal to buy its outstanding stake in Rosenthal will give Waterford, which currently sells in the UK, Ireland, US and Japan, a quarter of the German market. Mr O'Reilly said the move was "the next stage in building the company into an international luxury brands group".

Waterford currently already owns or has agreed to acquire 31.4 per cent of Rosenthal and has options to buy another 13.5 per cent, giving the company effective control of 44.9 per cent of the company. The company is offering DM200 a share for the outstanding shares, representing an 18 per cent premium to Rosenthal's closing price on Wednesday.

Though Waterford will control a large share of the German market, German anti-trust authorities have given their go-ahead for the takeover. The deal came less than 48 hours after Mr O'Reilly stepped down as chairman and chief executive of HJ Heinz, the US food manufacturer.

GrandMet signs off on a high note

Grand Metropolitan yesterday reported its last set of results before it concludes its £24m merger with Guinness on 17 December. *Andrew Yates* reflects on the creation of a new drinks colossus.

John McGrath, chief executive designate of Diageo, yesterday signalled that the new drinks group was likely to give more money back to shareholders over the next few years on top of the 70p-a-share £2.8bn payout, it has already promised.

GrandMet predicted that the drinks industry would undergo a huge consolidation in the wake of its merger with Guinness. "A lot of companies are under pressure and consolidation will take place. We welcome this as we prefer to have rational competitors ... rather than unpredictable ones," Mr McGrath said.

GrandMet also revealed that its Burger King fast food chain is poised to step up its attack on arch-rival McDonald's. It is about to launch Big King, a giant cheese burger, and the Super Fry, a new chip that is designed to stay crispier for longer, in the UK.

Mr McGrath said: "The burger market has been relatively flat but we have continued to gain market share by introducing oew products. We will not cut prices like McDonald's."

George Bull, chairman of GrandMet said he was sad to see the end of GrandMet: "This is an end of an era but we join Diageo in good shape." Analysts agreed that GrandMet has signed off on a high note, with underlying pre-tax profits coming in ahead of expectations at £981m thanks to a strong performance from the IDV spirits business.

Mr McGrath said he was confident the merger with Guinness would be sanctiooed by the US Federal Trade Commission within a week.

GrandMet also confirmed that Bernard Arnault, the head of French luxury goods group LVMH who had threatened to scupper the deal, had agreed to take a seat on the Diageo board as soon as the new company was formed. LVMH will own 11 per cent of Diageo. However, under a new agreement Mr Arnault cannot increase that stake above 15 per cent.

Diageo has already announced it will cut its workforce by 2,000. However analysts believe the final figure could be much higher than that.

P&O forced to slash flotation price of Bovis

P&O has been forced to slash the flotation price of Bovis Homes, its house building business. *Andrew Yates* reports on the troubled sale, which has proved an embarrassment for the transport conglomerate.

When P&O put Bovis up for sale a year ago the business was valued at £300m. In October it was estimated to be worth £250m. However yesterday P&O announced that the house builder was to be floated for just £225.6m, equivalent to 200p a share.

P&O put the blame on the turmoil in the world's stock markets. Fears that the housing market is beginning to slow after a succession of interest rate hikes have also caused shares in the housing sector to plunge.

A P&O spokesman said: "We are very happy with the price. You have to take into account that the overall stock market and the house building sector has fallen 10 per cent since October."

P&O also denied that it could have got a better price if it had sold Bovis earlier. "We would have to had to rely on 1996 profit figures which would have meant floating at a large discount. The general election also caused a lot of uncertainty," said the spokesman.

However analysts were scathing about the way P&O had handled the sale. One said: "As the value put on Bovis has tumbled its management team and P&O have lost a lot of credibility."

Another City observer said: "This sale has been botched from start to finish. It is stupid to float now with the housing sector where it is. Why not wait until it recovers?"

Malcolm Harris, chief executive of Bovis, admitted that house prices in the South-east had flattened out after a period of rapid growth. However he predicted that house prices should continue to rise by 3 per cent a year around the country.

P&O will use the money to invest in its cruise ships, the best performiog part of its business. Dealings in Bovis will start next Tuesday.

Trocadero to scrap Segaworld admission charge

Trocadero is poised to scrap admission prices at Segaworld, the troubled hi-tech amusement park which forms the centrepiece of its London leisure complex – its latest attempt to revive Segaworld's flagging fortunes.

Segaworld is to undergo a £650,000 facelift and allow customers in free in an effort to make Europe's largest indoor entertainment centre profitable, according to industry sources.

John Conlan, Trocadero's new chairman, said yesterday: "We have realised that this is not an indoor theme park. It is an amusement arcade and you would not normally pay to go to an amusement arcade."

Segaworld is a £50m joint venture between Trocadero and Sega, the Japanese games giant. It has proved an embarrassing flop since it opened its doors in 1996, which has sent Trocadero's share price tumbling to 19.5p after standing at 79.5p last year.

Poor attendance forced Segaworld to slash admission prices from £12 to £2. Even so only about 1 million people have come through its doors this year, 700,000 less than forecast.

– Andrew Yates

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Reed Elsevier takes a knock as Footsie breaks 5,000 barrier

MARKET REPORT

CATHY NEWMAN

For **Reed Elsevier** yesterday, it was a case of no news not necessarily being good news. In a trading update, the media giant said it could still give no further detail of the financial impact of irregularities in circulation figures in its Travel Group publications. Marketmakers took fright, and sent the shares down by 15.5p to 618p, making Reed the biggest Footsie faller in an otherwise effervescent market. A hefty eight million shares changed hands.

Reed said more than two months ago that circulation figures for the hotel and airline directories had been overstated between 1991 and 1996, and that advertisers would have to be compensated. The company kicked off a thorough investigation into the problems, but has so far been unable to give its shareholders an update on the charge to the year's profits, which could come to as much as £200m-£300m, according to analysts' estimates.

Reed followers said yesterday's fall from grace was also a reflection of a lack of news on European regulatory approval for the merger with Wolters Kluwer. News of problems from sterling's strength didn't help the shareprice either.

Where dealers spurned Reed, **Reckitt & Colman** was wanted. Market makers smelt corporate activity and sent the shares up 70.5p to 956.5p. Some analysts said the household goods company was seeing some bid interest, with potential buyers including Colgate Palmolive and Unilever. Others thought the spurt had more to do with Reckitt's recent underperformance, with the shares falling in recent months from a high of £10.27 earlier in the year.

Despite the excitement, the volume was low, and financial stocks saw most of the real money yesterday. Banks piggy-backed on speculation that ABN Amro was in talks about buying NatWest. Although Amro attempted to quash the rumours, saying they were "total nonsense", **NatWest** surged 22.5p to 925.5p. **Royal Bank of Scotland** joined the gravy train, up 29.5p to 720p. Another factor helping the Hong Kong-influenced shares in the sector was the Hang Seng's ebullient performance overnight. **HSBC** added on 77p to £16.72, and **Standard Chartered** rose 39p to 750p.

Insurance companies were also in demand. **Norwich Union** jumped 25p to 393p; **General Accident** clambered on to the bandwagon and ended up 67p to £10.78; and **Commercial Union** clocked up another 43p to 888p. Second-line insurance stocks followed the lead set by their Footsie peers. **Independent Insurance**, for one, improved by 35p to £11.48.

Once the starting gun had been fired, Footsie won the race to break the 5,000 barrier within the first half hour. The rest of the day, there was no turning back, and the index cruised effortlessly to the finish, ending at a day-high of 5082.3, up 111.6 points.

The Monetary Policy Committee's decision to leave interest rates unchanged was a big factor in Footsie's exuberance. A positive opening on Wall Street also aided the index. Volume was a pretty impressive 937.9 million shares.

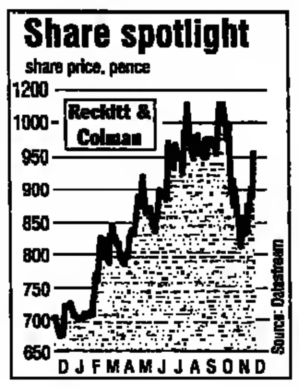
A clutch of buy-backs boosted sentiment. **Reuters**, which is returning £1.5bn to shareholders, shot up 30.5p to 710p, and GEC edged up 13.5p to 403.5p after unveiling plans for a £300m share buyback. Reuters was also buoyed by positive noises from brokers. Société Générale and NatWest were both broadly optimistic, although Panmure Gordon only rated it a "hold".

Elsewhere, institutions visiting **Geest**, the food producers, bumped the shares up 9p to 391.5p. Analysts met the company the day before, which also massaged the price.

Meanwhile, good results from **Denby Group** helped the crockery and cookware company cook up a 12.5p rise to 155p. The group reported a 9.1 per cent increase in pre-tax profits to £6.63m for the year to the end of September, and said its array of new products had boosted profits.

GUS, the mail order behemoth, also benefited from good results and shrugged off somewhat negative broker comment. The company ended the session 25p richer at 710p, after reporting a four per cent increase in pre-tax profit before exceptionals to £237.5m.

Share spotlight



TAKING STOCK

DPA-Egami, the Ofex-quoted company which specialises in electronic management systems, yesterday said it was launching a one for two rights issue at 15p a share to raise £922,500 for various developments. The company is to appoint a sales and marketing director and is to expand its direct sales team. It also wants to expand its project management teams and establish a presence in Europe.

Easynet Group, the internet service provider which is traded on AIM, saw its shares jump 4p to 93.5p after awarding a £1.6m telephony contract to GPT. The contract, which combines internet and telecoms technologies, will allow Easynet to route its telephone calls through its network centre in London.

52 week High	Low	Stock	Price	Chg	Yld	P/E	Code
Alcoholic Beverages							
600	408	Allied Domecq	544.50x	+5.50	4.5	19.1	1000
626	383	Bulmer(H.P.)	403.50	-1.50	4.4	18.7	1106
76	41	BurnStew Dist	48.50	–	8.8	14.7	4652
1040	640	Glenmorangie	950.00	–	1.8	23.0	2799
640	436	GrandMet	547.00	+13.00	–	21.9	1025
640	424	Guinness	549.00	+12.50	3.5	15.5	1029
380	280	HghlndDistCo	307.50x	–	3.5	19.2	1259
336	213	Matthew Clark	218.00	-0.50	13.0	7.2	1156
Banks, Merchant							
–	–	Cater Allen	572.50	–	4.4	0.7	1147
502	315	Close Bros	500.50	-5.50	3.8	14.6	2003
367	270	Gerrard Gp	311.00x	–	4.4	15.2	3641
277	50	Hambros	260.00x	-5.50	3.6	30.8	2257
635	465	Leopold J	635.00	–	3.9	26.0	2300
61	40	Rea Bros	55.00	–	2.1	22.0	3666
1805	1220	Schroders N/V	1760.00	+55.00	1.5	19.2	7907
2045	1408	Schroders Ord	1890.00	+51.00	1.4	20.6	1415
163	105	Singer & Fried	140.00	+1.50	4.3	7.9	2199
398	298	Wintrust	360.00	–	4.8	16.1	3589
Banks, Retail							
1006	643	Abbey Natl	995.00	+22.00	3.5	17.6	203
770	511	Alliance Leic	752.50	+19.50	–	–	2213
584	383	AIB	584.00	+36.50	–	–	
869	504	Bk of Ireland	867.00x	+49.50	–	–	
550	278	Bk of Scotl	542.00	+10.00	3.0	17.7	3958
1800	994	Barclays	1630.00	+42.00	2.7	15.0	1004
783	571	Halifax	725.00	+11.00	–	–	3313
2370	1126	HSBC (75P)	1672.00	+77.00	3.4	14.7	5913
2259	1105	HSBC (HK$10)	1590.00	+84.00	2.6	0.6	5929
861	399	Lloyds TSB Gp	712.00	+20.00	2.4	23.5	6395
1003	650	Natwest Bk	925.50	+22.50	4.1	16.0	1402
724	507	Ryl Bk Scot	720.00	+29.50	3.7	13.8	3297
1094	588	Stanchartrd	750.00	+39.00	2.6	12.7	1441
374	224	Woolwich	372.25	+7.25	–	21.0	3377
Breweries Pubs & Rest							
902	647	Bass	883.50	+9.00	3.9	13.3	1006
206	102	Burtonwood	161.50	-1.00	5.0	12.1	1109
156	108	City Ctr Res	132.00	+2.00	2.4	20.0	1104
745	576	Compass	702.50	-4.00	1.6	22.2	4651
303	250	Eldridge P	290.00	-1.50	5.4	0.8	4070
267	207	Enterprise Inns	246.00	–	3.8	10.5	4777
485	412	Flr Smith&Tnr	427.50	–	2.9	0.9	2863
308	200	Gibbs Mew	240.00	–	5.5	16.2	2994
605	340	Greenalls Gp	465.50	-9.50	4.8	13.8	1238
770	640	Greene King	666.50	+4.50	3.1	25.6	1240
238	163	Grosvenor Inns	199.50	–	4.8	53.4	5996
294	219	Chez Gerard	218.50x	–	1.4	22.7	1630
299	214	Hardys & H	218.00	–	6.7	–	1348

52 week High	Low	Stock	Price	Chg	Yld	P/E	Code
300	50	Evans Halshw	290.00	–	7.1	neg	3676
340	220	Faber Prest	357.50	+5.00	6.1	12.9	7582
392	275	Firstfix Gp	330.00	–	2.9	14.4	1221
286	133	Harris (Philip)	285.00	–	4.4	11.8	3683
374	255	Headlam Gp	325.00x	-1.50	2.3	21.7	2279
798	535	Ideal Hdware	655.00	–	5.1	19.7	6000
409	134	Ilon Gp	135.00	-10.00	5.6	7.8	1787
309	200	Inchcape	280.50x	-0.50	5.8	21.7	7523
243	75	ISA Intl	75.00	-2.50	5.0	6.0	5447
344	212	Kwik-Fit	234.50	+2.00	3.2	19.4	1287
440	50	Lex Service	440.50	+3.00	4.7	14.0	1302
282	206	[illegible]	234.00	–	4.5	–	4616
9	5	Middlesex	4.00	+0.25	2.1	9.7	1870
409	180	Norbain	285.00	-6.50	3.9	9.1	2685
225	185	Northumber	224.50x	–	1.7	0.4	2694
353	286	Partco Gp	303.00	+6.50	3.3	16.0	1220
399	257	Pendragon	282.50	–	4.5	13.2	5907
224	171	Perry	180.50	–	6.4	11.6	2757
753	404	Premier Farnell	417.00	-1.00	3.7	21.0	1209
119	75	Ryland Gp	102.50	–	4.9	28.0	6103
272	207	Sanderson Bros	240.50	–	2.6	9.9	2892
545	442	Trifast	545.00	–	2.4	19.7	1288
408	222	UMECO	395.00	–	1.7	25.5	2069
94	50	Utd Overseas Gp	85.50	+1.00	–	–	2024
252	268	Vardy (Reg)	276.00	–	3.4	12.7	4677
685	495	WF Elect	640.00	–	2.9	20.6	3209
41	26	Wilshaw	37.00x	-1.25	2.9	10.4	6700
Diversified Industrials							
409	335	Antofagasta	347.50	–	–	16.0	3408
328	212	Ascot Hldgs	254.00	–	3.4	–	1706
289	126	BTR	200.00	-2.00	5.7	0.9	1002
264	182	Cookson	216.00	+5.50	4.6	26.0	1299
241	198	Cosalt	230.50	–	6.1	9.1	1198
163	112	Grampian	141.50x	-1.00	6.0	11.9	5448
141	102	Harrisn&Cros	117.00x	+0.50	9.4	16.5	5230
159	111	Lonrho	90.50	-2.00	4.6	12.3	1018
200	142	McLeod Russel	169.00	–	5.2	12.3	7103
475	388	Powell Duff	474.50	+6.00	6.6	15.2	1378
198	142	[illegible]	144.00x	–	7.8	14.7	6668
91	51	[illegible]	75.00x	+1.00	6.7	19.2	0
264	238	Tomkins	312.25	+7.25	3.9	14.5	1462
398	295	TT Grp	296.50	–	3.4	13.1	5452
503	350	Wardle Strys	400.00x	–	6.3	12.6	3233
380	281	Wassall	328.50	–	2.6	13.5	4649
167	122	Whatecroft	139.50x	–	4.5	19.7	3366
400	295	Williams	355.00	-12.25	3.0	11.2	1503
Electricity							
440	126	Br Energy	407.50	+5.00	4.3	5.7	4514
320	182	National Grid	289.50x	+1.50	4.8	13.3	4443
600	420	Nat Power	594.00x	+21.00	5.4	12.1	6005
534	353	Nthn Ireland	533.50	+11.00	4.9	24.7	4000

Share Price Data

Prices are in sterling except where stated. The yield is the latest twelve months' declared gross dividend as a percentage of the share price. The price/earnings (P/E) ratio is the shareprice divided by last year's earnings per share, excluding extraordinary items but including exceptionals. Other details: Ex rights; x Ex-dividend; a Ex-all; s Suspended; p Partly Paid; np Nil Paid; *AIM. Gilt Prices are Bloomberg Generics.

Source: Bloomberg

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Seaq volumes: 937.9m trades 63,028

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Market Leaders: Top 20 volumes

at 6:00pm

Stock	Vol	Stock	Vol	Stock	Vol	Stock	Vol
Shell Transport	21.69m	Brit Telecom	13.94m	Lloyds TSB	9.38m	Brit Petroleum	8.25m
BTR	17.70m	BG	11.29m	Dana Petroleum	9.28m	Reuters Hldgs	8.01m
Vodaphone Grp	17.28m	Royal and Sun Al	11.16m	Centrica	9.17m	Smithkline Beech	7.53m
Grand Met	16.96m	Rentokil Initial	9.96m	ASDA Grp	8.70m	Glaxo Wellcome	7.38m
Brit Airways	14.60m	Norwich Union	9.59m	Gen Elec	8.69m	Reed International	7.17m

FTSE 100 Index hour by hour

Open	4970.7		11:00	5051.1	Up 80.4	14:00	5061.7	Up 91.0
9:00	5040.7	Up 70.0	12:00	5050.6	Up 79.9	15:00	5051.4	Up 80.7
10:00	5042.7	Up 72.0	13:00	5067.4	Up 96.7	16:00	5063.2	Up 92.5
						Close	5082.3	Up 111.6

52 week High	Low	Stock	Price	Chg	Yld	P/E	Code
277	186	Gt Portland	270.00x	+1.00	4.5	24.1	1236
215	148	Greycoat	206.00	–	0.7	206.0	2236
143	92	Hambro Cty	111.00	-1.00	2.8	13.2	5733
529	324	Hammerson	469.00	+2.50	3.0	24.8	2260
40	25	Hampton Tst	28.50	+3.00	–	neg	2968
585	388	Helical Bar	552.50	+3.50	3.9	17.5	5801
48	33	Hemingway	45.50	–	1.5	16.2	3649
216	148	Jermyn Inv	213.50	–	3.2	–	4208
1075	711	Land Secs	989.00x	+15.00	3.4	28.3	1085
41	33	Ldn & Assoc	33.25	–	2.6	–	3542
131	99	Ldn Mer Sec	113.00	–	5.8	30.1	3449
184	97	McKay Secs	124.00	+1.00	5.6	16.2	4268

52 week High	Low	Stock	Price	Chg	Yld	P/E	Code
93	38	Mnmre Abbey	45.00	–	2.5	25.0	2777
2368	1155	Micro Focus	2025.00	-10.00	–	neg	2597
179	70	Microgen	75.00	–	13.0	3.0	2591
1733	1008	Misys	1732.50	+32.50	0.9	32.1	5347
241	156	MITIE Grp	226.50	+1.50	1.1	29.1	2295
46	34	Orbis	42.00	-1.50	3.9	0.7	7603
649	338	Parity	647.50	+21.50	0.8	41.0	4288
154	109	Photo-Me	112.50x	+1.50	5.6	13.4	6302
30	8	Proudfoot	28.00	–	–	neg	0
423	220	PSD	403.50	+25.00	–	–	1846
267	201	Quality Serve	235.00	–	–	175.0	6769

Government Securities

source: Bloomberg
www.bloomberg.com

هكذا من الأصل

The British way of working: high employment but low productivity

CHRISTOPHER JOHNSON ON WHY OUR LIVING STANDARDS STILL LAG BEHIND THE EUROPEAN AVERAGE

The British attitude to the rest of Europe on economic performance veers between boasting about our high employment and bemoaning our low productivity. Is it us or other countries that are too weak to enter Economic and Monetary Union?

Recent statements from the Treasury indicate that we do not have a monopoly of economic virtue. We may be more flexible than other countries in varying the length of the working week, upwards as well as downwards. But we are not yet flexible enough in terms of skills to join EMU. "Britain today is some 20 per cent less productive than our main competitors," Gordon Brown, Chancellor of the Exchequer, admitted in his pre-Budget statement.

The net result of extra effort and reduced efficiency is that our living standards in terms of GDP per head are 4 per cent lower than the EU average. We are 10th, ahead of Ireland, Spain, Portugal and Greece, and behind all our main industrial rivals. (The figures are based on OECD statistics for 1995. Different years and other sources give different figures, but the broad picture is the same.)

GDP per head is equal to hours worked per head of population (labour input) times GDP per hour worked (productivity). Productivity depends on capital inputs, including human skills as well as physical investment. Hours per head of population are hours per person employed times the percentage employed of the total population (the employment rate).

Countries vary even more in working hours, employment rates and productivity levels than they do in living standards. The graph shows different countries' combinations of effort in thousands of hours worked and efficiency in GDP per hour in dollars at purchasing power parities. The UK's labour input is 764 hours a year per head of population, second only to Denmark's in the EU. It is, however, well below that of Japan, the US and the Far Eastern "tigers". Japan's productivity is less than that of the UK, and the US's less than the EU average. Their higher GDP per head is due to longer working hours, so it has a welfare cost.

Britain achieves its high labour input partly by having 44 per cent of the population (71 per cent of 15-64s) in employment. Its employment rate comes below those of only Denmark and Sweden in the EU. Britain also has the longest average working hours per employee after Spain and Finland – 1735 hours a year. We input 20 per cent more labour than the average EU country. The relatively high number of part-time workers is more than made up for by the longer full-time working week.

The Government's policy is to increase the employment rate, even though it is already relatively high. A higher employment rate tends to go with lower unemployment. Looking across countries, an employment rate one per cent higher is apt to mean an unemployment rate two-thirds of a per cent lower.

Higher employment is beneficial to welfare, as long as it is not compulsory. On this score the UK is doing well, as long as it maintains the voluntary principle. Long working hours are a more dubious benefit. They boost household income and satisfy workaholics, but they can have adverse effects on health and family life. According to a 1995 NOP survey, about 45 per cent want to work a shorter week; only 25 per cent want to work more than 40 hours, compared with 70 per cent actually doing so.

In most EU countries, employment has risen over the past 10 years only in line with population, so the employment rate has been more or less static. Population growth in the UK has been 0.4 per cent a year – average for the EU – and employment growth has been 0.5 per cent a year. Average hours worked have fallen in most EU countries, but have risen 0.1 per cent a year in the UK.

In the US, employment has gone up 1.6 per cent a year – 0.5 per cent faster than the population increase – and working hours 0.3 per cent a year. So an increase of 2 per cent a year in labour input accounts for over *half the high US growth rate* of 3.3 per cent.

Britain is as far below the EU average on productivity as it is above it on labour input. UK GDP of about $23 per person hour is 20 per cent below the EU average of $29, and 13th in ranking, above only Greece and Portugal. Italy and the Netherlands have the highest figure of $38 an hour, followed by Belgium ($36), France ($32), Austria ($31) and Germany ($30).

The new DTI report says that France and Germany are 25-30 per cent ahead of the UK on productivity; my figures are 35 per cent for France and 30 per cent for Germany. The DTI's sectoral analysis shows that only chemicals and paper and printing in the UK achieve productivity higher than the G7 average. All other sectors have lower productivity, some as much as 50 per cent lower.

Low productivity in the UK is due to lack of sufficient skills training, as Mr Brown has recognised by the measures in his Green Budget. Other EU countries have done better, while the US has done almost as badly, owing to the deficiencies its education system *shares with that of the UK.*

The DTI report blames too little investment in physical capital and research and development as well as low-skilled human capital, for the UK's poor productivity. "For every £100 per worker invested in the UK between 1983 and 1993, Germany and the US invested nearly £140, France almost £150 and Japan over £160." One of the Government's main arguments for going into EMU is that it would lower interest rates and increase investment.

The graph shows that there is an inverse relationship between labour input and productivity, at least among the more advanced EU countries. This works in both directions.

As the law of diminishing *returns suggests, if labour input* is increased with a given quantity of capital, the extra labour is less productive than the labour already employed, and the average product per hour falls.

It is still worth creating jobs as long as GDP per head does not *fall by* more than the increase in employment.

Looking at it another way, if productivity per hour is rising, people can do less work and enjoy more leisure, yet still be better off. The story of economic progress over the centuries has been one of shorter hours, and productivity rising faster than the fall in hours. Result: higher living standards.

For any given objective in terms of living standards, countries have *a choice of different* combinations of labour input and hourly productivity. Within the EU, Italy and the Netherlands have chosen one end of the spectrum, with short hours and high productivity. The UK and to a lesser extent the Scandinavian countries have taken the other end, with long hours and low productivity.

If only the UK could raise productivity by 25 per cent *to the EU average, while keeping* its present working hours, it would overtake all the other EU countries with a similar rise in living standards. If it could do even half as well, with a 12.5 per cent increase in productivity, it would be level pegging with France and Germany at a GDP per head of $20,000 a year.

In the better years of the Thatcher era, the UK managed to raise productivity faster than its EU rivals, without catching them up. If it could now increase productivity 2.5 per cent a year faster than them for five years, it could catch up in terms of living standards though not in terms of productivity levels.

Higher labour input – particularly by means of more *jobs rather than longer hours* – and lower productivity are a valid alternative to the continental model.

** Christopher Johnson is UK Adviser to the Association for the Monetary Union of Europe.*

PEOPLE & BUSINESS

JOHN WILLCOCK

One thing intrigued me about this week's two-day Monetary Policy Committee meeting at the Bank of England. What did the eight members do on Wednesday evening, half way through the talks? Were they bussed to a hotel, like a trial jury, in order to guard against details leaking out? Were they simply told not to blurt anything out on the train home? Or did they all stay in the office? Did **Eddie George** hold a pyjama party at Threadneedle Street...

My fevered imaginings were swiftly doused yesterday by a spokeswoman from the Bank, who assured me the MPC members went home as usual. "Routine confidentiality arrangements apply to all employees of the Bank.

The Committee members do go into a period of purdah (from journalists) for a week before the meeting and a day afterwards. But they are already used to dealing with all sorts of sensitive information," said the spokeswoman.

In fact, a two-day meeting might even aid decision-making, since the members do most of the discussing on Wednesday and then have a chance to sleep on their decision.

Congratulations in advance to **Ian Byatt**, the water regulator, on his impending nuptials next week to **Dr Dierdre Kelly**, a specialist in liver diseases at Birmingham Children's Hospital. The wedding will take place in a registry office, followed by a blessing in Birmingham Cathedral, and then a honeymoon in Dr Kelly's native Ireland.

As *I'm sure you know*, Mr Byatt was previously married to **AS Byatt**, the famous author, who herself is now married to **Peter Duffy**, a fund manager who was formerly an editor of the *Daily Telegraph*'s Questor column.

Good luck to **James Bethell**, former author of this very diary column, who is helping to launch *Ministry Magazine* today in his capacity as head of media at the Ministry of Sound. The warehouse-turned-rave-venue nightclub in South-east London, owned by **Jamie Palumbo** and located in the otherwise unappealing Elephant & Castle, is launching its own "lifestyle" magazine for clubbers.

The joint venture with Dennis Publishing will kick off with a 120,000 *print run*. James claims they have received 5,000 subscriptions even before hitting the streets. "The first issue covers everything from herbal ecstasy to the booming bisexuality scene," he enthuses. He's certainly come a long way from writing up Fyffes's interims.

The British public were nearly robbed of this unique literary event when burglars nicked *all* the club's computers, but thankfully not before the first issue of the mag had been put to bed, he says.

Where you or I may have just gone to a disco in our youth, dear reader, the men from the Ministry aim to spin a media *empire* off the original club, with radio stations, Internet sites and record companies all in various stages of development. Sadly, last weekend's press suggestions of a £20m offer by Sony to buy the Ministry's record label seem wide of the mark. However, I'm sure someone like Richard Branson will come along and snap the lot up before long.

A growing number of motorists are going "on the wagon" and not touching a drop of booze, according to figures compiled by Dial Direct, a motor insurance company. The analysis of insurance claims shows that nearly a fifth of motorists applying for cover claim to be teetotal. Good news for safety campaigners, it seems.

But the surprise findings don't end there. Declared "non-drinkers" are making between 5 and 10 per cent more insurance claims than those car drivers who declare they enjoy the occasional tipple.

Mike Elkin, Dial Direct's marketing manager, suggests the sad explanation for these findings is that "some motorists are being economical with the truth about their drinking habits when providing information to us".

Surely not. Make mine a treble...

Some musical chairs at the top of the drug companies. Novartis has appointed **Jerry Karabelas** as head of its healthcare business worldwide and chief executive of pharmaceuticals, starting next year.

Mr Karabelas, 45, currently executive vice president with SmithKline Beecham, will succeed **Pierre Douaze**, who will retire, Novartis said yesterday. SmithKline has recalled **Howard Pien** from China to replace Mr Karabelas in North America.

Foreign Exchange Rates

Country	Sterling Spot	Sterling 1 month	Sterling 3 month	Dollar Spot	Dollar 1 month	Dollar 3 month	D-Mark Spot
UK	1.0000			0.5986	0.5993	0.6011	0.3381
Australia	2.4856	2.4832	2.4773	1.4878	1.4883	1.4892	0.8404
Austria	20.808	20.776	20.708	12.455	12.452	12.448	7.0356
Belgium	60.989	60.778	60.398	36.505	36.427	36.307	20.622
Canada	2.3762	2.3690	2.3561	1.4223	1.4198	1.4163	0.8034
Denmark	11.261	11.223	11.159	6.7400	6.7265	6.7080	3.8075
ECU	1.4921	1.4881	1.4805	1.1197	1.1212	1.1236	0.8087
Finland	8.9419	8.9101	8.8548	5.3522	5.3403	5.3230	3.0235
France	9.896	9.862	9.799	5.9230	5.9106	5.8904	3.3459
Germany	2.9575	2.9479	2.9292	1.7702	1.7668	1.7609	1.0000
Greece	463.84	465.98	471.08	277.64	279.29	283.19	156.84
Hong Kong	12.926	12.925	12.987	7.7370	7.7465	7.8070	4.3707
Ireland	1.1373	1.1362	1.1332	1.4690	1.4685	1.4680	0.8298
Italy	2898.7	2895.4	2887.5	1735.1	1735.4	1735.8	980.14
Japan	215.90	214.55	211.93	129.23	128.59	127.40	73.003
Malaysia	6.2234	6.2167	6.2211	3.7250	3.7260	3.7398	2.1043
Mexico	13.538			8.1030			4.5774
Netherlands	3.3302	3.3188	3.2979	1.9933	1.9891	1.9825	1.1260
New Zealand	2.7748	2.7697	2.7584	0.6022	1.6600	1.6582	0.3402
Norway	11.979	11.936	11.864	7.1702	7.1536	7.1322	4.0505
Portugal	301.90	301.26	299.93	180.70	180.56	180.30	102.08
Saudi Arabia	6.2660	6.2594	6.2442	3.7505	3.7516	3.7537	2.1187
Singapore	2.6948	2.6963	2.6970	1.6130	1.6180	1.6213	0.9112
South Africa	8.1263	8.1872	8.2888	4.8640	4.9070	4.9628	2.7477
Spain	249.76	249.23	248.07	149.50	149.38	149.13	84.451
Sweden	12.979	12.945	12.885	7.7685	7.7585	7.7455	4.3885
Switzerland	2.3916	2.3796	2.3568	1.4315	1.4262	1.4158	0.8087
US	1.6707			1.0000			0.5649

Other Spot Rates

Country	Sterling	Dollar	Country	Sterling	Dollar
Argentina	1.6707	1.0000	Oman	0.6432	0.3850
Brazil	1.8550	1.1103	Pakistan	73.511	44.000
China	13.833	8.2800	Philippines	58.558	35.050
Czech Rep	58.374	34.940	Poland	5.9276	3.5480
Egypt	5.6810	3.4004	Qatar	6.0822	3.6405
Ghana	3745.7	2242.0	Russia	9692.2	5821.0
Hungary	334.86	200.43	South Korea	1943.0	1163.00
India	64.907	38.850	Taiwan	52.911	31.670
Indonesia	6596.8	3948.5	Thailand	68.000	41.300
Kuwait	0.5087	0.3045	Turkey	328911	196870
Nigeria	128.98	77.200	UAE	6.1356	3.6725

Interest Rates

UK		Germany		US		Japan	
Base	7.25%	Discount	2.50%	Prime	8.50%	Discount	0.50%
France		Lombard	4.50%	Discount	5.00%	Belgium	
Intervention	3.30%	Canada		Fed Funds	5.58%	Discount	2.75%
Italy		Prime	5.50%	Spain		Central	3.30%
Discount	6.25%	Discount	4.00%	10-d Repo	5.00%	Switzerland	
Netherlands		Denmark		Sweden		Discount	1.00%
SpAdvance	3.30%	Discount	3.50%	Repo(Ave)	4.10%	Lombard	3.00%

Bond Yields

Country	3 mth	chg	1 yr	chg	2 yr	chg	5 yr	chg	10 yr	chg
Australia	..	0.00	4.96	0.02	5.31	0.01	5.84	0.01	6.15	0.01
Belgium	3.65	-0.01	4.10	0.00	4.25	-0.03	4.89	-0.03	5.54	-0.04
Canada	3.62	0.01	4.51	0.04	4.68	0.03	5.22	0.04	5.67	0.01
ECU	4.55	0.01	4.72	0.00	4.85	-0.03	5.13	-0.03	5.53	-0.03
France	0.00	0.00	3.87	-0.06	4.41	-0.01	4.93	-0.05	5.39	-0.04
Germany	3.78	0.00	4.09	0.00	4.25	-0.01	5.01	-0.04	5.39	-0.03
Italy	5.68	-0.17	5.35	-0.05	5.17	-0.03	5.40	-0.08	5.82	-0.05
Japan	0.15	0.00	0.40	0.00	0.49	-0.01	1.07	-0.05	1.82	-0.06
N'lands	3.75	0.00	4.08	-0.01	4.33	-0.01	4.97	-0.04	5.36	-0.04
Spain	4.80	0.00	4.80	0.02	4.66	-0.04	5.15	-0.06	5.68	-0.05
Sweden	4.38	0.01	4.99	0.00	5.20	-0.02	5.80	-0.03	6.15	-0.03
S'land	1.81	-0.03	2.00	-0.06	1.80	0.03	2.69	0.00	3.49	-0.02
UK	7.10	0.02	7.93	-0.01	7.02	-0.06	6.70	-0.06	6.45	-0.03
US	5.10	0.00	5.19	-0.02	5.68	-0.03	5.75	-0.02	5.81	-0.01

Money Market Rates

	Overnight Bid	Overnight Offer	1 week Bid	1 week Offer	1 month Bid	1 month Offer	3 months Bid	3 months Offer	6 months Bid	6 months Offer	1 year Bid	1 year Offer
Treasury Bills					7.25	7.10	7.25	7.10				
LIBOR												
Domestic Depos	7.25	7.38	7.31	7.38	7.44	7.50	7.63	7.69	7.72	7.78	7.81	7.88
Eurosterling Deps	7.25	7.38	7.25	7.38	7.53	7.59	7.66	7.72	7.72	7.78	7.78	7.84
Eligible Bank Bills					7.30	7.20	7.35	7.25	7.45	7.35		
Sterling CDs					7.47	7.40	7.68	7.60	7.75	7.67	7.80	7.72
Eurodollar CDs					5.82		5.89		5.83			
ECU Deposits					4.31	4.44	4.38	4.50	4.47	4.59		

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Source: Bloomberg

Liffe Financial Futures

Contract		Settlement	High	Low	Est floor volume	Open interest
Long Gilt	Dec-97	119.44	119.53	119.13	8354	46457
German Bund	Dec-97	104.43	104.50	104.10	104533	90448
US Long Bond	Dec 97	118.50	-	-	-	-
Italian Bond	Dec-97	114.05	114.40	113.97	18345	25537
Japan Govt Bd	Dec-97	130.72	130.94	130.68	3490	-
3 Mth Sterling	Dec-97	92.32	92.34	92.27	23913	156301
	Mar 98	92.29	92.31	92.23	25376	124201
3 Mth Euromark	Dec-97	96.22	96.22	96.19	25885	278213
	Mar-98	96.08	96.08	96.05	34613	332561
3 Mth Eurolira	Dec-97	93.96	93.96	93.92	12285	103481
	Mar-98	94.74	94.75	94.66	18261	125180
3 Mth Euroyen	Dec-97	99.15	-	-	-	-
3 Mth Euroswiss	Dec-97	98.15	98.19	98.12	3319	54685
	Mar-98	98.16	98.15	98.09	5691	50770
3 Mth ECU	Dec-97	95.47	95.47	95.44	599	8724
	Mar-98	95.42	95.42	95.37	356	7055
FTSE 100	Dec 97	5099.00	5102.00	5012.00	12065	60119

Liffe FTSE 100 Index Option

Settlement Price: 5062.30

Series	Mar Call	Imp Vol	Put	Imp Vol	Dec Call	Put	Jan Call	Put	Feb Call	Put
5000	325	23	183	23	156	52	218	102	288	147
5050	292	22	201	22	118	66	188	122	254	166
5100	260	22	220	22	88	90	156	141	223	185
5150	228	21	241	21	63	117	125	165	191	207

Energy

* at 5:30pm

Brent Crude($/barrel) IPE	Last*	Chg	Vol	Gas oil($/tonne) IPE	Close	Chg	Vol	WTI Crude($/barrel) NYM	Last*	Chg	Products($/tonne) Spot CIF NW Eur	
Jan	18.09	-0.09	10857	Dec	165.25	0.50	4126	Dec	19.16	19.16	Gasoline 95	186.00
Feb	18.13	-0.05	6512	Jan	166.25	0.00	3828	Jan	18.69	-0.11	Naphtha	179.50
Mar	18.12	-0.06	2792	Feb	165.50	0.50	1541	Feb	18.94	-0.09	Gasoil	169.00
								Mar	19.11	-0.06	Fuel Oil (3.5%)	91.50

Commodity Indices

Goldman Sachs at 5:30pm

	Base date	Last	Chg	%chg	31 Dec	%chgYTD
Index	1970=100	184.83	-2.62	-1.40	215.26	-14.14
Agricultural	1970=100	238.45	-0.88	-0.37	231.23	3.13
Energy	1983=100	67.12	-1.56	-2.27	85.86	-21.83
Ind Metals	1977=100	160.38	0.00	0.00	168.79	-4.98
Livestock	1970=100	179.19	1.88	1.06	191.03	-6.20
Prec Metals	1973=100	384.84	-5.27	-1.35	463.54	-16.98

Industrial Metals

LME ($/tonne)	Cash		Chg	3 month		Chg	LME stocks	Chg
Aluminum HG	1558.5	1560.5	-1.50	1582	1583	-2	860600	-2775
Aluminum Alloy	1420	1430	-10.00	1440	1450	-5	43180	-80
Copper A	1788	1789	11.50	1818	1819	8.5	344450	2900
Lead	533.5	534.5	16.50	550	551	16	118275	-175
Nickel	6075	6085	220.00	6165	6175	215	65790	-456
Tin	5840	5850	120.00	5720	5730	85	8330	10
Zinc	1111.5	1112.5	27.00	1135	1136	25	495825	-475

Precious Metals

pm fix/$ per oz		Day's chg	Year's chg	pm fix/£ per oz		Day's chg	Year's chg	Coins ($)		Year's chg
Platinum	383.00	-4.50	9.00	Platinum	227.85	-2.80	-0.75	Krugrands	290.15	-80.00
Palladium	206.50	-1.50	88.50	Palladium	122.85	-0.85	51.35	Sovs	68.19	
Silver	5.30	-0.02	0.54	Silver	3.16	0.00	0.24	Nobles	375.05	
Gold	289.35	-3.65	-81.55					Maple Leaf	304.15	-78.68

Agricultural

* at 5:30pm

Cocoa		Coffee		Barley		Potatoes		Lge Potatoes	
LIFFE	£/tonne	LIFFE	$/tonne	LIFFE	£/tonne	LIFFE	£/tonne	A/A	$/25t kg
Dec97	898.00	Nov97	1672.00	Nov97	83.25	Nov97	80.60	Nov97	726.00
Mar98	1026.00	Jan98	1774.00	Jan98	75.50	Mar98	94.50	Apr98	698.50
May98	1045.00	Mar98	1763.00	Mar98	78.10	Apr98	107.00	Jun98	702.50
Vol:	1452	Vol:	5048	Vol:	3	Vol:	112	Vol:	188270
White Sugar*		Freight		Wheat		Corn*		Soya Beans*	
LIFFE	$/tonne	LIFFE	$10/idx pt	LIFFE	£/tonne	CBOT	Cents/bshl	CBOT	$/5k bshls
Dec97	371.10	Nov97	1171.00	Nov97	85.30	Dec97	269.25	Nov97	23.00
Mar98	310.00	Dec97	1230.00	Jan98	82.45	Mar98	279.00	Jan98	27.30
May98	315.70	Jan98	1265.00	Mar98	84.55	May98	286.00	Mar98	30.00
Vol:	1134	Vol:	38	Vol:	382	Vol:	252346	Vol:	417

Other Softs

at 5:30pm

Feb	Live Cattle	(CME) $/40k lb	68.02	Dec	White Maize	(SAF) $/100 mt	826.00
Feb	Pork Bellies	(CME) $/40k lb	58.85	Dec	Rubber	(TCM) Y/ 5k kg	84.10
Jan	Orange Juice	(CTN) $/15k lb	80.70	Mar	Cotton	(CTN) $/50k lb	68.28
Dec	Milk	(CSC) $/50k lb	12.20	Dec	Crude Palm	(KLC) $/25 tn	1802.00
Mar	Oats	(CBT) $/5k bsh	158.50	Jan	Soya Oil	(CBT) $/60k lb	24.86
Jan	Flax	(WCE) $/20 tn	341.20	Dec	Woollen Yarn	(TCM) $/500kg	1255.00

Latest Unit Trust Prices

Fund	Sell	Buy	Yld
AIB Govett Trust Ltd			
4 Battle Bridge Lane, London SE1 2HR			
Tel: 0171 378 7979			
American Strategy	244.26	261.23	0.00
Cash	9.55	9.59	5.75
European Strategy	138.03	147.62	0.00
FTSE Mid 250 Index	97.33	104.09	2.11
Geared UK Index	22.71	23.97	5.75
Greater China	207.39	222.45	0.00
International Growth	165.04	176.50	0.00
Japan General	103.50	109.50	0.00X
Monthly Income	41.70	44.53	8.60X
Pacific Strategy	109.60	117.21	0.00
UK Bear	4.83	5.00	5.25
UK Eq Safeguard	108.98	116.62	2.47
UK Index	17.17	18.12	5.25
UK Safeguard	138.45	148.61	0.00
UK Smaller Cos	78.82	84.40	0.46X
US Index	23.15	24.39	4.00
AXA Equity & Law Unit Trust Managers			
AXA Equity & Law Hse,			
Corporation St; Coventry CV1 1GD			
Tel: 01203 553231			
Balanced Acc	72.04	76.63	2.41
Balanced Inc	65.91	70.11	2.41
Brit Excell	113.90	121.10	2.30
BritishFndmtlsAcc	144.10	153.20	4.54
BritishFndmtlsInc	92.39	98.28	4.54
Europe	439.30	467.30	0.60
Gilts&Fixed Int	95.86	101.00	5.68
Gilts&FixedIntAcc	229.70	242.60	5.68
Global Opps	108.90	115.80	0.30
Higher Inc Acc	1054.00	1121.00	4.53
Higher Inc Inc	541.10	575.60	4.53
Japan	33.30	35.42	0.00
North America	423.00	449.90	0.00
Pacific Basin	290.40	308.90	1.54
UK *Gwth Acc*	*572.30*	*608.80*	2.46
UK Gwth Inc	361.80	384.80	2.46
Barclays Funds Limited			
11 Broadway, Stratford, London, E15 4BJ			
Customer Help Desk 0181 522 4000			
Balanced Trusts			
Income Funds			
Cash	101.00	101.00	6.58
Cash Acc	101.00	131.00	6.58
Income	698.60	745.20	4.02
Income Builder	80.30	85.61	4.82
International Inc	83.83	88.97	1.43
Balanced Funds			
500	515.10	553.80	2.09
Exempt	103.90	110.50	2.26X
General	396.40	423.40	1.76
Property	263.40	282.80	5.62X
Trustee	278.20	297.00	1.67
Growth Funds UK			
Capital	177.80	189.60	1.74
FTSE 100	128.60	136.50	1.78X
Growth Acc	560.20	595.90	1.53
Smlr Cos Acc	72.88	77.52	2.27
Smlr Cos Inc	60.34	64.37	2.27
Growth Funds - Overseas			
America	231.90	246.10	0.03X
AmericanRecAcc	161.30	170.90	0.00
Japan Acc	84.42	89.79	0.00
Japan Inc	93.35	98.65	0.00
Japan Spec Sits	42.82	45.36	0.00
Worldwide	211.50	224.50	0.84
Barclays Investment Portfolios (1200)F			
High Income Inc	50.18	50.23	7.10
Managed Income	48.65	50.29	7.10
Mgd Gwth&Income	46.68	49.63	4.50
Managed Growth	46.24	49.36	0.50
Barclays Global Investors Funds			
PO Box 14828 London E15 4UG			
Brokerline: 0800 731 2443			
Income Funds			
Distribution	125.00	125.70	5.30X
Equity Income	167.70	178.90	4.35
Gilt&FixedIntInc	62.06	64.26	7.15X
InternatnlFixedInt	99.09	102.40	5.20
InternatnlFxdIntAcc	125.70	128.90	5.20
Growth Funds - UK			
Gwth & Inc Acc	1123.00	1185.00	1.73
Gwth & Inc Inc	519.10	552.20	1.73X
UK Growth	510.20	542.80	1.84
UK Growth Acc	610.20	542.80	1.84
Growth Funds - Overseas			
European Growth	233.70	247.30	0.71
Eurpn Gwth Acc	255.90	270.80	0.71
FarEastnGrowth	122.10	129.80	1.21X
FarEastGwthAcc	207.10	220.40	1.21
Baring Fund Managers Ltd			
PO Box 831, 199 Bishopsgate,			
London EC2M 3YS			
Enq: 0171 762 8450, Dealing: 0171 214 1004			
American Gwth	181.70	191.90	0.00X
AmericanSmlrCos	168.30	176.60	0.00X
Eastern	182.30	195.80	0.30X
Equity Income	122.40	130.30	4.20X
EuropeanGwth	476.00	505.70	0.80X
EuropeanSelect	418.20	446.70	0.80X
German Gwth	103.90	110.20	0.50X
Global Bond	73.44	77.24	4.80X
Global Growth	*168.80*	*179.00*	*0.40X*
Income Plus	54.13	54.25	7.80X
Japan Growth	116.40	122.10	0.00X
Japan Sunrise	60.84	65.64	0.00X
Korea	26.41	28.07	0.00X
Portfolio Acc	328.70	349.60	2.00X
Portfolio Inc	170.20	181.10	2.00X
Select Managers	93.30	98.65	1.00X
UK Growth	130.40	138.90	1.80X
UK Gwth & Inc	81.31	81.56	4.10X
UK Smlr Cos	117.90	127.90	1.00X
Charity Fund			
OverseasGwthEx	72.65	73.40	0.10X
Friends Provident Unit Trust Managers Ltd			
United Kingdom Hse, Castle St,			
Salisbury, Wiltshire SP1 3SH			
Enq: 01722 715834, Dealing: 01722 715836			
Amer Smlr Cos	220.00	234.60	0.00
American	80.05	85.13	0.00
American Acc	83.71	88.40	0.00
Asian Gwth	180.80	192.80	0.00
Asian Gwth Acc	188.80	201.30	0.00
Australian	411.20	438.60	0.00
Australian Acc	468.50	499.70	0.00
CapGwthIncAcc	140.50	149.40	2.65
CapGwthIncInc	129.70	137.90	2.65
Capital Gwth	142.40	151.40	0.57X
Equity Acc	1255.00	1338.00	1.94X
Equity Dist	549.50	585.10	1.94X
EthicUKEqExAc	127.20	127.80	2.90X
EthicUKEqExIn	124.10	124.70	2.90X
Eurpn Gwth Acc	*402.00*	*428.70*	*0.00*
Eurpn Gwth Dstrb	366.90	391.30	0.00
Income	69.68	74.33	4.33X
Income Acc	259.00	276.20	4.33X
Instl UK Smlr Cos	120.50	128.10	1.54
InstUKSmlrCosAcc	123.40	129.20	1.54
International Bond	58.67	59.86	3.98
Intl Bond Acc	161.30	170.60	3.98
Intl Growth	42.49	45.32	0.01X
Intl Growth Acc	62.62	66.78	0.01X
Jap Smlr Cos	162.62	173.40	0.00
Monthly Dstrb	85.96	91.26	4.79X
MonthlyDstrbAcc	163.60	174.50	4.79X
OpnCpGthIncAcc	148.00	157.40	3.85
OpnCptlGwth	141.30	150.30	0.11
OpnCptlGwthIncInc	134.80	143.40	3.85
PacificBasinAcc	171.80	183.20	0.17
SterlingDepositAcc	122.00	122.00	6.15
SterlingDepositInc	100.90	100.90	6.15
Stewardship	477.00	506.70	1.41X
Stwrdshp Acc	610.70	655.40	1.41X
Stwrdshp Inc	78.13	83.33	5.22X
Stwrdshp IncAcc	113.90	121.40	5.22X
Stwrdshp N Am	158.20	109.60	0.00
Stwrdshp N Am Acc	170.20	181.40	0.00
Tokyo Acc	64.35	68.64	0.00
Tokyo Inc	63.71	67.95	0.00
UK Focus	61.86	65.31	1.44
UK Focus Acc	64.85	69.17	1.44
UK Growth	245.10	261.40	1.51
UK Growth Acc	504.50	538.30	1.51
HSBC Unit Trust Management Ltd			
6 Bevis Marks, London EC3A 7QP			
Advsrs:0800 181890,Invstrs:0800 289505			
Dealing: 0171 955 5050			
Benton Fund	115.00	122.30	1.14X
Elm Growth	*96.93*	*102.30*	2.44X
Benton Fund initial charge 5 per cent			
Elm Growth initial charge 5.25 per cent			
Hill Samuel Exempt Umbrella Trust			
European Acc	267.10	278.30	1.36X
Japan Acc	31.98	33.38	0.00X
North Amer Acc	320.50	333.50	0.51X
Pacific Acc	49.44	51.79	2.38X
UK Equity Acc	372.20	389.80	2.35X
UKSmlrCosAcc	166.70	177.30	2.08X
Legal & General (UT Managers) Ltd			
Knox Court, 10 Fitzalan Place			
Cardiff CF2 1TL			
Enq: 01222 448412, Dealing: 01222 683512			
http:www.legal-and-general.co.uk			
Cash	62.50	62.50	6.84X
Equity Acc	1523.00	1523.00	2.02
Equity Dstrb	723.40	723.40	2.02
Equity Income	123.80	123.80	4.41
European	176.70	176.70	0.23
Eurpn Index	112.80	112.80	1.12
Far Eastern	164.30	164.30	0.00
Fixed Int	58.83	58.83	7.31
Gilt	97.61	97.61	6.01X
Global Growth	82.95	82.95	0.18
Intl Bond	48.18	48.18	5.06
Japan Index	25.68	25.68	0.00
Japanese	52.59	52.59	0.00X
Nth American	285.90	285.90	0.00
Pacific Gwth	81.16	81.16	0.85
Pacific Index	33.26	33.26	3.01X
UK Index	94.21	94.21	2.58X
UK Index Acc	95.37	95.37	2.58X
UK Recovery	135.30	135.30	1.53X
UK Smll Cos	173.30	173.30	1.10
UK StockMarketAcc	93.10	93.10	0.71X
UK Tactical	83.78	83.78	5.13
US Index	112.50	112.50	0.75
Worldwide	109.80	109.80	1.05X
Worldwide Acc	110.70	110.70	1.05X
Lloyds Bank Unit Trust Managers Ltd			
Mountbatten House, Chatham			
Kent, ME4 4JF			
Tel: 01634 834000, Dealing: 01634 834031			
Balanced	496.00	528.80	1.85X
Balanced Acc	1211.00	1289.00	1.85
ContEurGwthAcc	101.70	107.10	0.00
ContEurpeGwth	93.86	98.80	0.00X
Extra Inc	352.00	374.50	3.45X
Extra Inc Acc	1013.00	1078.00	3.43
FTSE 100	165.40	165.40	2.25
FTSE 100 Acc	165.60	176.20	2.25
German Gwth	168.30	177.20	0.00
GermanGwthAcc	176.60	185.80	0.00
Gwth Ptflo	763.30	812.10	0.33
Gwth Ptflo Acc	803.90	855.30	0.33
High Inc	109.60	113.60	6.74
High Inc Acc	123.20	127.70	6.74
Inc Ptflo	668.90	711.60	3.85X
Inc Ptflo Acc	783.80	833.90	3.85
Income	686.20	730.00	2.97
Income Acc	2018.00	2147.00	2.97
Japan Gwth	74.05	78.78	0.00
Japan Gwth Acc	74.31	79.06	0.00
MasterTrust	75.93	80.78	1.18
MasterTrust Acc	89.21	94.91	1.18
Millennium	113.60	120.80	2.03
NAmSmCo&RecAcc	234.40	249.40	0.00
NAmSmCo&RecInc	229.70	244.40	0.00
NthAmer&Gen	313.50	333.50	0.00
NthAmer&GenAcc	362.90	386.10	0.00
Pacific Basin	168.60	179.40	0.61
PacificBasinAcc	173.70	191.20	0.61
Premier Exempt	197.60	206.10	2.88
Safety First	115.00	121.10	1.46
SmlrCos&Rcvry	546.60	575.40	1.98X
SmlrCos&RecAcc	767.60	808.00	1.98
UK Eqty Inc	160.00	170.30	3.59
UK Equity Gwth	201.20	214.10	2.24
UK Growth	129.10	137.40	1.68
UK Growth Acc	164.80	175.40	1.68
W'wideGwth	392.20	417.30	0.57X
W'wideGwthAcc	580.50	617.80	0.57
Newton Fund Managers Ltd			
7 Festival Square, Edinburgh EH3 9SU			
Clients 0800 614330, Broker 0500 660000,			
Dealing, 0500 440000			
Internet: information@newton.co.uk			
American Gwth Acc	64.59	68.71	0.00
American Gwth Inc	64.09	68.18	0.00
Bridge	113.13	120.35	2.35
Cash Acc	72.87	72.87	6.79
Cash Inc	50.24	50.24	6.79
Distributor	127.25	135.37	2.36
European	72.75	77.40	0.00
Foundation	125.94	133.97	1.59
General	257.86	274.31	1.02
General Acc	283.37	280.18	1.02
Growth Acc	171.67	182.62	1.62
Growth Inc	164.17	174.64	1.62
Higher Inc Acc	52.53	55.88	4.89
Higher Income	41.44	44.08	4.89
Income	340.25	361.96	2.84
Intl Bond	130.82	139.15	5.01
Intl Growth	43.36	46.12	0.00
Japan	23.88	25.19	0.00
Oriental	112.83	118.61	0.18
Oriental Acc	116.77	124.22	0.18
Northern Rock Unit Trusts Ltd			
Bulman House, Regent Centre Gosforth			
Newcastle upon Tyne NE3 3NG;			
Tel: (0191) 285 7585			
High Income	56.18	59.43	5.47
UK Growth	134.20	142.00	2.56
Prudential Unit Trusts Ltd			
51-59 Ilford Hill, Ilford, Essex, IG1 2DL			
IFA Dealing 0345 808505			
Client Dealing 0345 875500			
Cash Haven	101.18	101.87	6.27X
Cash Haven Acc	124.93	125.55	6.27
Distribution Acc	138.03	144.18	4.67
Distribution Inc	118.14	122.43	4.67X
Equity	1062.30	1130.01	1.68X
Equity Inc	102.95	108.52	3.86X
European	338.18	350.45	0.54
Global Growth	116.98	123.28	1.56
High Income	105.85	112.61	4.54
Intl Growth	230.89	245.41	0.99
Intl Small Cos	95.19	101.27	0.55
Japanese	117.91	122.19	0.00
Managed	48.79	50.56	1.98
Managed Inc	50.64	52.34	7.24
Nth American	310.19	321.09	0.66X
Pacific Mkts	84.56	87.63	1.83
Premier Inc	50.20	52.24	5.55X
Small Cos	116.17	123.59	1.56X
Special Sits	148.64	158.13	1.69
UK Growth	180.15	191.65	1.60
Save & Prosper Securities Ltd			
16-22 Western Rd; Romford,Essex RM1 3LB			
Clients: 0800 829 100			
Brokerline: 0800 727 770			
Amer Smlr Cos	173.10	184.10	0.00
Cash	143.00	143.00	6.55
China Dragon	63.14	67.17	0.23
Commodity	110.10	117.10	0.00
Emerg Mkts	36.47	38.80	0.51
Eurpn Growth	293.80	312.60	0.00X
Eurpn Smlr Cos	76.45	81.33	0.00X
Extra Income	66.11	68.51	5.11X
Far Eastern Gwth	73.33	78.01	0.00
FarEastnSmlCos	35.14	37.38	0.01
Financial Secs	414.00	440.40	1.31X
Gold & Exploratn	33.59	36.18	0.00
Growth	539.50	542.20	1.49
High Income	82.82	52.82	6.26X
Intl Bond	154.80	163.40	4.90
ITU	256.10	272.40	0.78
Japan Growth	114.40	121.40	0.00
Japan Smlr Cos	93.91	98.52	0.00
Korea	19.78	17.86	0.00X
Latin America	49.14	52.28	0.26
Masterfund	71.12	71.48	0.95X
New Europe	48.61	(Mid)	0.00
Premier Eqty Inc	441.30	469.50	3.84X
PremierEqtyGwth	207.50	220.70	1.19
S E Asia Gwth	32.65	34.73	0.23
Southern Africa	45.60	48.51	1.18
UK & O'seas	226.40	240.90	0.70
UK Equity Inc	319.90	340.30	3.82
UK EquityGwth&Inc	371.50	395.20	2.73
UK Smlr Cos	64.84	68.77	0.91
US Growth	286.50	304.70	0.00
Scottish Amicable Pension Funds			
PO Box 14762 Craigforth Stirling, FK9 4ZD			
01786 448844			
95%SafeguardPens	110.60	(Mid)	0.00
100%SafeguardPens	103.20	(Mid)	0.00
WealthPrsrvtnCap	109.80	(Mid)	0.00
WealthPrsrvtnInc	2.80	(Mid)	0.00
Singer & Friedlander Inv Funds Ltd			
21 New Street, London EC2M 4HR			
Tel: 0171 867 8777, Dealing: 0171 626 6226			
***SIB Recognised Dublin OEIC Funds**			
American Growth	169.84	(Mid)	0.00
Aztec	80.85	(Mid)	0.00
Corporate Income	102.78	(Mid)	0.00
Deutschmark Res	101.57	(Mid)	0.00
European	192.75	(Mid)	0.00
Football Fund	83.07	(Mid)	0.00
Global Bond	87.71	(Mid)	0.00
Investment Trust	177.51	(Mid)	0.00
Reserve Roll Up Fund	101.01	(Mid)	0.00
Samurai	41.08	(Mid)	0.00
Sterling Reserve	101.98	(Mid)	0.00
Tai Pan	80.46	(Mid)	0.00
UK Emerg Leaders	98.73	(Mid)	0.00
UK Equity Income	108.32	(Mid)	0.00
UK Growth	123.02	(Mid)	0.00
Singer & Friedlander Unit Mgrs Ltd			
Continent	110.00	116.00	1.00
Global Gwth PEP	90.19	95.20	1.00
InvestmtTrustPtflo	80.83	85.36	2.20
Lugano	95.34	104.20	1.50
Managed Ex	1477.94	1543.39	2.20
Preferred Inc	109.80	116.80	6.10
Smll Cos	282.50	300.50	0.60
Standard Life Unit Trusts			
30 Lothian Rd, Edinburgh EH1 2DH			
Tel: 0800 33 33 53			
GlobalAdvntge	50.86	51.12	1.05
GlobalAdvntgeAcc	55.65	56.13	1.05
IncAdvntgeAcc	51.71	51.97	3.81
IncAdvntgeInc	42.52	42.74	3.81
Managed Acc	70.12	74.33	1.78
Premier Inc	52.56	54.40	6.57
Premier Inc Acc	60.40	62.62	6.57
UKEqtyGwthAcc	120.20	127.50	1.48
UKEqtyHighInc Inc	50.09	53.10	3.64
UKEqtyHighIncAcc	69.20	73.98	3.64
Virgin Direct			
Discovery House, Whiting Road, Norwich			
Tel: 0345 95 95 95			
Email: mail@virgin-direct.co.uk			
Pen Growth Acc	124.98	124.98	0.00
Pen Inc Protector	112.32	112.32	0.00
PFS Income	110.45	110.45	6.20
PFS UKIndexTracking	159.98	159.98	2.34

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Key

X - ex-dividend

Copies of the most recent managers' reports and scheme particulars are available from fund managers free on request.

A more extensive list of unit trusts and managed funds is published on Wednesdays and Saturdays.

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Base rates unchanged but Halifax puts up mortgages

The Monetary Policy Committee has decided to leave interest rates unchanged at 7.25 per cent. But this failed to stop Halifax raising mortgage rates yesterday afternoon.
Lea Paterson **reports.**

The City breathed a sigh of relief yesterday at news that the Bank of England's Monetary Policy Committee (MPC) had decided, at least for the time being, to leave interest rates on hold.

Sudhir Junankar, assistant director of economic analysis at the CBI, said: "We think the decision was justified by the information on the economy." Jeremy Peat, chief economist at Royal Bank of Scotland agreed: "I am sure this is the correct decision. Both Treasury and Bank of England forecasts point to a marked slowdown in the UK economy through 1998."

Following recent signs that the economy could be slowing down, including data released yesterday suggesting a bumper Christmas on the high street could be off the cards after all, the MPC's decision had been widely anticipated. But some mixed economic signals in tandem with last month's surprise rate rise had *left* the *markets* jittery in the run-up to yesterday's announcement.

It was not all good news, though, for millions of UK home-owners. Halifax announced that, on 1 January, it will increase its mortgage rates by 0.25 per cent to 8.7 per cent. Gren Folwell, deputy chief executive of Halifax, said its rate rise was a direct consequence of the Bank's decision on November 6 to increase interest rates by 0.25 per cent.

Mr Folwell said: "We decided not to pass on any increase in mortgage rates to our existing customers before Christmas but preferred to wait to see the outcome of the *December meeting* of the Monetary Policy Committee." Halifax will shortly announce details of its new saving rates, also due to rise from 1 January.

Data from the Confederation of Business Industry seemed to support the MPC's decision. *Retail sales growth slowed* in November, according to the CBI, with a positive balance of 23 per cent of retailers saying that sales were higher than at this time last year. This compares with positive balances of 38 per cent for October and 26 per cent in September. "It was a weaker survey than we had expected," said economists at HSBC Markets.

New figures on construction orders also signalled that the eagerly anticipated economic slowdown could be on its way. New construction orders received by contractors in the three months to October were 1 per cent lower than in the three months to July. The *Engineering Employers' Federation* also said yesterday that pay settlements were below the rate of inflation for the third month on the run.

But not all indicators are pointing in the same way. Alastair Eperon, chairman of the *CBI's Distributive Trades Survey* Panel, said: "Anecdotal evidence from retailers points to cautious optimism that consumers will spend more freely in the remaining weeks to Christmas."

And although new construction orders are lower than in the three months to July, they are still running at 4 per cent higher than at this time last year. Other figures out yesterday also suggest the economy is still growing strongly. Sales of new cars last month were 12.5 per cent higher than in November last year.


Season of uncertainty: Surveys suggest the high street boom is slowing but some retailers still expect a bumper Christmas

BA and Qantas get go-ahead for merged services

British Airways and Qantas were yesterday given the all-clear to merge their services on the Kangaroo route between London and Australia, where the two carriers command 40 per cent of the market. Under a deal approved by Australian aviation authorities, BA and Qantas will code share on 310 flights a week and sell seats on each other's services. The clearance came as Qantas celebrated the 50th anniversary of services between London and Sydney by announcing a A$560m upgrade of its long-haul Boeing 747 fleet.

Steel leaders' sterling plea

Steel industry leaders yesterday issued a fresh plea to the Government over the level of sterling, saying it had cost £1bn in lost export orders in the last 15 months. Brian Clayton, president of the UK Steel Association, warned this would mean lower investment and fewer jobs and called on ministers to recognise the damage that an over-valued currency was doing to UK manufacturing.

The President of the Board of Trade, Margaret Beckett, told the association's annual meeting that the Government wanted a stable and competitive exchange rate but the best way to achieve this was to avoid the boom and bust policies of the 1980s.

Britannia rethinks

Britannia Building Society said it has decided to restructure its life business in a move which will include the permanent loss of 240 jobs and the phasing out of a further 180 positions but aims to ensure the group's long term profitability. Britannia Life will withdraw from the independent financial adviser (IFA) market for new business with effect from 12 December, and its life and pensions products will be solely distributed through the branch network.

Metropole boosts Stakis

Stakis, the hotel and casino group, announced a 92 per cent rise in pre-tax profits to £56m thanks to a maiden contribution from the Metropole hotel chain it purchased for £327m last year. Profits at its struggling casino division fell to £7.8m (£8.9m). Stakis confirmed it was looking to invest heavily in its casino chain after the restructuring of the division produced encouraging results.

Energis set for top price

The flotation of Energis looks set to value the business phones group next week at close to the top of indicative price range. It would put a price of up to £962m on Energis, which is owned by National Grid, with shares expected to begin trading at well above 300p. Energis had previously suggested a price range of between 250p and 325p.

New snags in gas plans

BG, the former British Gas, was facing a new rift with Ofgas, the industry watchdog, yesterday after the company raised new risks to customers from moves to open the domestic to competition next year. Transco, the BG division which owns the pipeline network, said new computer systems to track homes as they switched supplier could be hit by even minor errors and it had no contingency plans in place to deal with problems. Ofgas has proposed to extend competition in the North of England from February 1998, but BG said the watchdog should only proceed once systems were proven to work.

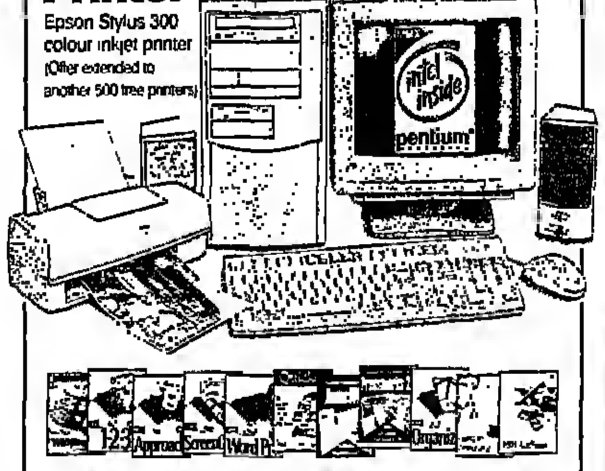
Korean market soars

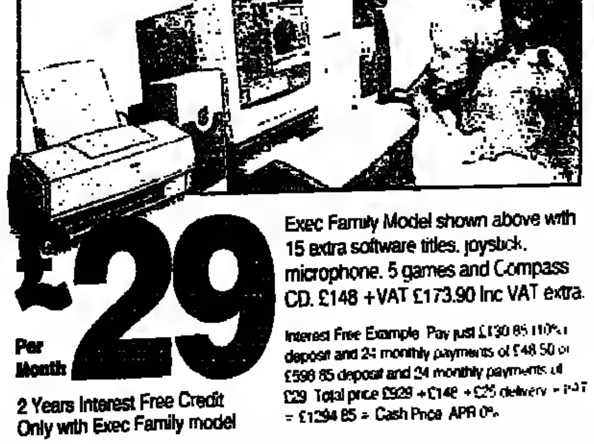
Asian markets yesterday were swept with a mood of optimism following the conclusion of an agreement between South Korea and the International Monetary Fund for a rescue package which now stands at $57bn. In Korea the market registered its biggest ever one-day gain, rising by almost 7 per cent. The much battered South Korean currency, the won, finally managed to reverse its decline against the US dollar.

COMPANY RESULTS

	Turnover £	Pre-tax £	EPS	Dividend
Abbeycrest (I)	25.15m (25.4m)	0.308m (0.188m)	0.9p (0.5p)	1.5p (1.3p)
Avon Rubber (F)	251.9m (250.1m)	26.4m (21.5m)	70.8p (50.6p)	21.15p (19.5p)
Barcom (F)	56.1m (52.5m)	4.0m (2.72m)	7.1p (5.1p)	1.0p (1.5p)
Bisby (I)	23.6m (28.8m)	4.97m (6.26m)	7.8p (9.8p)	2.5p (2.3p)
Border Television (I)	7.78m (6.72m)	0.822m (1.52m)	5.2p (9.0p)	2.7p (2.7p)
Castings (I)	30.75m (29.58m)	4.71m (4.28m)	7.58p (6.68p)	1.68p (1.43p)
Christian Salvesen (I)	355.2m (361.3m)	47.6m (51.6m)	10.5p (12.3p)	3.9p (3.8p)
Denby Group (F)	36.46m (33.11m)	6.63m (6.08m)	13.5p (12.2p)	3.0p (4.55p)
Dewhurst (F)	16.98m (15.31m)	1.28m (0.777m)	7.27p (4.58p)	1.92p (2.88p)
Expro Intnl (I)	61.6m (49.85m)	10.03m (8.04m)	11.7p (9.5p)	3.05p (-)
GEC (I)	2.91m (2.94m)	442.0m (261.0m)	10.1p (5.5p)	3.43p (3.26p)
GrandMet (F)	8.17b (6.97b)	834.0m (398.0)	25.1p (2.4p)	nil (-)
GUS (I)	1.50b (1.21b)	254.1m (236.8m)	17.3p (15.6p)	6.0p (5.5p)
Hanson	1.87b (-)	1.31m (-)	15.5p (-)	nil (-)
Hawtin (F)	45.85m (49.78m)	2.05m (6.31m)	2.0p (5.8p)	1.2p (1.725p)
Jones & Shipman (I)	9.17m (9.39m)	0.288m (0.609m)	1.0p (2.2p)	nil (-)

(F) - Final (I) - Interim † EPS is pre-exceptionals *Dividend to be paid as a FID





CRICKET

Hollioake finds England committed to cause

England's cricketers found a famous name from the past facing them when they launched their tour of Pakistan yesterday. *Mark Baldwin* reports from Lahore.

Alistair Brown hits out on his way to an unbeaten 67 in Lahore yesterday *Photograph: Graham Chadwick/Allsport*

Adam Hollioake glanced approvingly at the bare statistics of England's opening day "double win" in Pakistan – but positively glowed when he spotted the red-raw grazes on several players' legs.

Hollioake is looking for total commitment from the one-day specialists picked to represent England in the Sharjah Four Nations' Tournament later this month. That commitment was evident in yesterday's defeat of a Lahore Gymkhana Club side that included Dean Headley, Ashley Giles and Matthew Fleming, as England successfully chased both the initial target of 142 and then an additional one of 282.

"The players here are, as a group, fairly young but also very hungry to do well – and that's very *important*," *said* Hollioake, the one-day captain. "I was impressed by the approach of all the players today".

Alec Stewart struck the ball beautifully in his 78 not out, Nick Knight made 79 and Alistair Brown a typically rumbustious and unconventional 67 from only 57 balls.

The Gymkhana Club, who *slumped to* 33 for 6 *against* effective new ball bowling by Dougie Brown and Peter Martin when early morning moisture made batting awkward, managed to reach 141 for 8 from their 40-over allocation *largely thanks to* some *heroics* by the 51-year-old former Test luminary Majid Khan.

Majid, now the Pakistan *Cricket Board's chief executive*, but also still a regular club cricketer, came in at No 8 and ended up unbeaten on 50. He struck Graeme Hick's off-spin for six late on, and his appearance was a delightful surprise *for England's tourists.*

Robert Croft, for example, had heard many tales about Majid's elegant contribution to Glamorgan's 1969 Championship-winning team.

Off-spinner Croft, born a year later, and now of course a Championship winner himself after Glamorgan's success last summer, found himself bowling *at a man still* revered *in Wales* and he, like all England's players, enjoyed seeing the Old Master give more than one glimpse of his rare ability.

Hollioake said: "I want this team to be flexible in its approach. For example our batting order may change around quite a lot depending on match circumstances or conditions. *Someone could be down* to bat at No 3 but end up going in at eight"

Tomorrow and Sunday bring 50-over matches against Pakistan A in final preparation for Sharjah, and the last couple of hours of each game will be played out under the lights of Lahore's Gaddafi Stadium.

England came to Lahore specifically to get that extra experience of floodlit cricket – again with Sharjah conditions in mind – and Hollioake said that all 14 players would feature *in* the two matches.

Pakistan A are to be led by Test paceman Aqib Javed and will include a number of other established internationals.

ONE-DAY MATCH (Lahore): Lahore Gymkhana Club XI 141 for 8 (40 overs, Majid Khan 50no); *England 283 for 4 (N V Knight 79, A D Brown 67, A J Stewart 78no). England won original match by nine wickets, reaching 145 for 1 from 19.4 overs.*

Tendulkar leads Indian run feast

India 512
Sri Lanka 66 for 1

Saurav Ganguly and Sachin Tendulkar plundered sparkling centuries yesterday as India piled up the runs in the final Test *against* Sri Lanka in Bombay.

India were dismissed for 512 and then Sanath Jayasuriya smashed 50 off 44 balls as Sri Lanka replied with 66 for 1 from 15 overs by the close of the second day's play on the easy-paced Wankhede Stadium wicket.

Jayasuriya, who hit nine boundaries, was caught in the slips off *the leg-spinner* Anil Kumble two overs before stumps. Marvan Atapattu and the nightwatchman Kumara Dharmasena were together at the close.

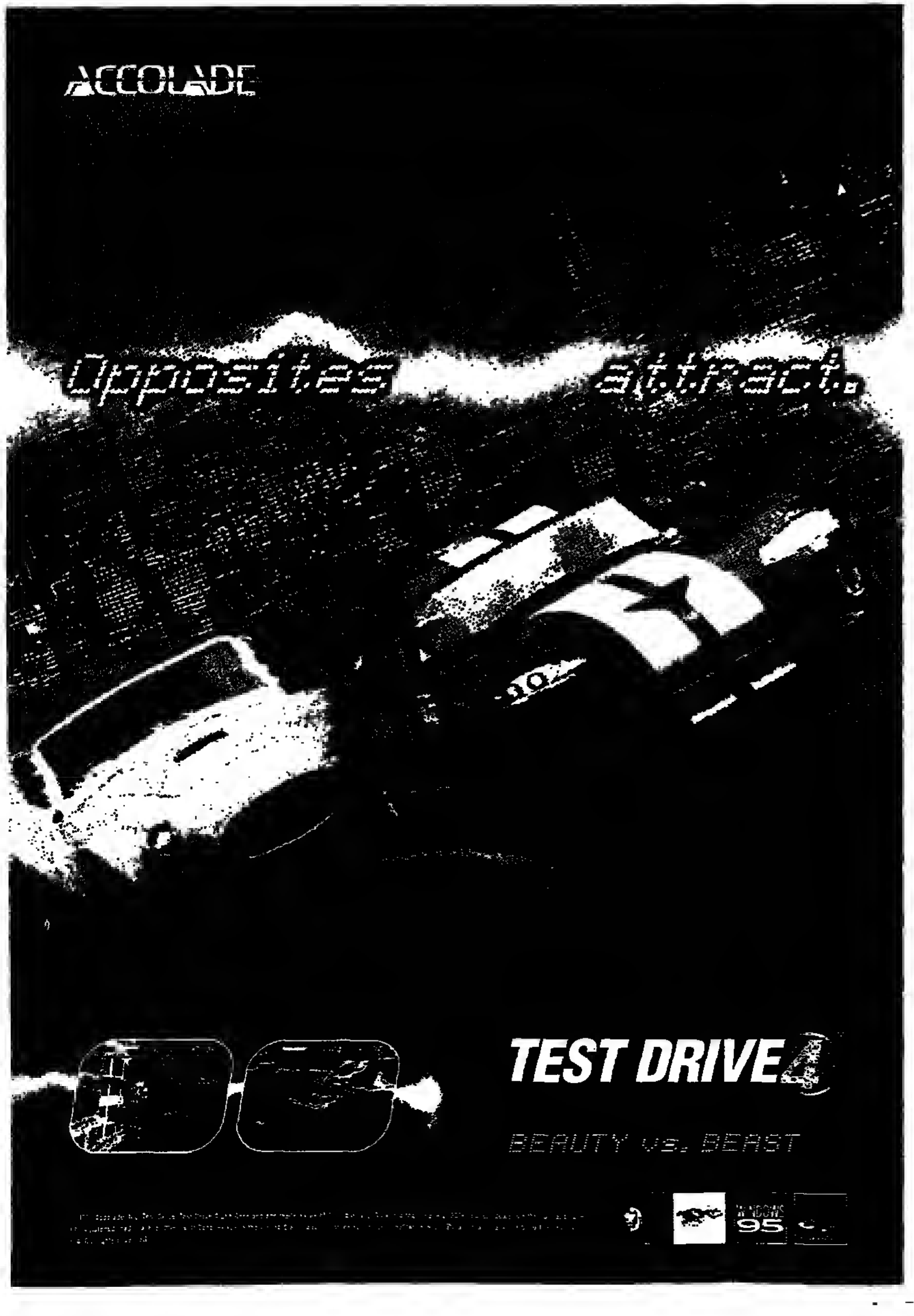
Ganguly made his highest Test score of 173 and Tendulkar finally struck form with 148, full of strokes, during a record-breaking stand of 256 for the fourth wicket.

The partnership was India's best for the fourth wicket in Test cricket, surpassing the 212 by Vijay Manjrekar and Vijay Hazare against England at Leeds way *back* in 1952.

"Records are meant to be broken," said a delighted Tendulkar, who also surpassed the 4,000-run mark in his 58th Test. "This partnership was what the team needed and I am happy *both Saurav and I came good.*"

The Indian captain was confident of putting the Sri Lankans under pressure over the next three days. "There is still something in this wicket for the fast bowlers," he said. "They will be able to generate a lot more pace and bounce."

Second day; Sri Lanka won toss
INDIA – First innings
(Overnight: 247 for 3)
S C Ganguly c L De Silva b Dharmasena ... 173
*S R Tendulkar b Pushpakumara ... 148
M Azharuddin lbw Pushpakumara ... 0
A Kumble b Pushpakumara ... 6
R K Chauhan lbw Dharmasena ... 4
A Kuruvilla c Pushpakumara b Wickramasinghe ... 6
J Srinath not out ... 15
Venkatesh Prasad run out ... 3
Extras (nb6, lb16, b5, w4) ... 26
Total ... 512
Fall: 4-471 5-475 6-478 7-481 8-487 9-502
Bowling: Vaas 26-4-88-0 (1nb); Wickramasinghe 31-10-78-2 (1nb); Pushpakumara 28-5-108-3 (1nb 4w); *Dharmasena 45-12-144-3 (1nb), Ranatunga 17-7-35-1;* Jayasuriya 12-2-43-0.
SRI LANKA – First innings
S T Jayasuriya c Azharuddin b Kumble ... 50
M S Atapattu not out ... 15
H D P K Dharmasena not out ... 0
Extras (nb1) ... 1
Total (for 1) ... 66
Fall: 1-65.
To bat: *A Ranatunga, R S Mahanama, P A De Silva, H P Tillekaratne, †S K L De Silva, C J U P W Vaas, G P Wickramasinghe and K R Pushpakumara.
Bowling (to date): Srinath 6-0-43-0 (nb-1), Venkatesh *Prasad* 4-3-6-0, Kuruvilla 2-0-10-0, Kumble 2-1-6-1, Chauhan 1-0-1-0
Umpires: A V Jayaprakash (Ind) and S A Bucknor (WI).



Yorkshire veto more talks over Headingley

Yorkshire yesterday ruled out further negotiations with Headingley's owners aimed at resolving their long-running dispute and exploring the possibility of developing the Test venue.

Preliminary discussions into an application for Lottery funding to upgrade Headingley broke down on Wednesday night with Yorkshire complaining of "*uncompromising* tactics" by Paul Caddick, the chairman of the company which owns the ground.

The secret meeting had led to reports that Yorkshire were prepared to shelve their ambitious plans to relocate to a purpose-built stadium at Durkar near Wakefield – a project which led to Caddick issuing writs against various members of the past and present club administration claiming £17m compen*sation for potential lost income.*

The impasse has led to Yorkshire stressing that "the litigation will continue and it will be vigorously defended by the club".

Northamptonshire and Worcestershire yesterday stepped up their efforts to sign Devon Malcolm following his announcement yesterday that he had rejected Derbyshire's offer of a new contract.

Despite Derbyshire's hope that they would persuade Malcolm *to stay*, the *two counties* have both held preliminary talks with the 34-year-old paceman in recent weeks after he became a free agent on November 1.

They will both intensify their efforts to win the race for his signature following yesterday's announcement, with Worcestershire believed to be favourites for his services.

Dermot Reeve, the Somerset coach, plans to play one-day games for the county next season. Reeve, 34, was forced to retire *from* playing in 1996 because of an arthritic hip, having led Warwickshire to six trophies in the previous three summers.

FOOTBALL

League campaign winning over Uefa

The Football League chairman, David Sheepshanks, yesterday made a final plea to Uefa to give England back a place in Europe for the Coca-Cola Cup winners – and the signs are that the League's campaign may end in victory.

Leicester City were granted a Uefa Cup place after last season's Coca-Cola victory over Middlesbrough, but then European football's governing body removed it for subsequent winners – because the Premier League rejected a request to reduce their number of clubs to 18.

However, Uefa's executive committee meets in Marseilles today to discuss the issue and high on its agenda is a recommendation, strongly backed by the Football Association, for the Coca-Cola Cup winners to continue playing in the Uefa Cup.

It has been suggested that the committee is likely to guarantee the place for a further three years. "The significance to the League and the economic futures of our clubs is crucial, which is why we have campaigned so hard over the last six months," Sheepshanks said.

The West Bromwich Albion chairman, Tony Hale, has launched an attack on Ray Harford after he walked out of The Hawthorns to take charge of Queen's Park Rangers.

Hale claims that Albion have been "used" by the *former* Blackburn Rovers and Wimbledon manager to rebuild his reputation after the unhappy end to his spell at Ewood Park.

Harford resigned at Rovers in October 1996, when they were languishing at the foot of the Premiership without a win in 10 matches and had been dumped out of the Coca-Cola Cup by Stockport County. But he has enjoyed success again after being given his chance by Albion, helping them avoid relegation last season and then moulding them into promotion contenders during the current campaign.

Hale said: "There are not enough words in the English *language to describe how* I feel at this moment in time.

"We have been used by Ray Harford. We resurrected his career. He was nowhere when we resurrected him.

"We have helped put him into a position where any club in the country would want to take him as their manager."

Tottenham's new chief coach, Christian Gross, is keen to sign the Swiss international striker Kubilay Türkyilmaz from his old club, Grasshopper Zurich. Birmingham City have enquired about the veteran Rangers striker, Ally McCoist.

The out-of-favour Liverpool midfielder, Michael Thomas, is thinking over an offer to join Coventry City. Liverpool have accepted the Sky Blues' £800,000 bid.

The former Borussia Dortmund coach Ottmar *Hitzfeld* will take over Bobby Robson's role as director of recruitment at Barcelona, according to reports in Spain yesterday.

Hitzfeld, who became technical director at Dortmund after winning the *European* Cup last season, has signed a preliminary agreement with Barcelona, according to the reports. Robson has hinted strongly he wants to return to coaching after stepping down as coach at the Spanish club last season and being replaced by the Dutchman, Louis van Gaal.

Shankly honoured in bronze

Sixteen years after his death, Liverpool yesterday matched Manchester United's tribute to Sir Matt Busby by unveiling a statue to Bill Shankly. The simple inscription on the plinth reads: "He made the people happy."

The 7ft 6in bronze statue will stand outside the place that worshipped Shankly most, The Kop. It will also guard the entrance to the club's Liverpool Visitor Centre which was also opened yesterday by Shankly's widow, Nessie, and the widow of Bob Paisley, Jessie.

His arms stretched out in victory, the juxtaposition is apt – *the* man who made the modern club in front of the museum designed to show off his triumphs and those who followed him.

As Ebbe Dinesen, of Carlsberg, who commissioned the statue, said: "He *laid* the foundations for a mountain of success."

Inside the visitor centre, Shankly's monument is both his managerial record – three championships, two FA Cups and the Uefa Cup – and his words. "If you are first, you are first," reads one caption on the wall. "If you are second you are nothing," reads another.

A third, spoken to a poor translator who was trying to open communication between Shankly, a promising xenophobe, and Italian journalists, reads: "Just tell them I completely disagree with everything they say."

Ian Callaghan was one of many past and present players going through a former Kop turnstile yesterday and seeing his own likeness in a waxwork model of an old Anfield dressing-room. "Some of the things were *a bit far-fetched but you believed* most of them," he said. "Shank believed them himself so yo *tended to go along with him.* H was a great man."

So, according to Shankly were all his players, but hi praise always took on an extr dimension when he spoke of hi centre-half and captain, Ro Yeats. *"The Colossus" himsel* cut the ribbon to unveil the stat ue yesterday at the request c Nessie Shankly and Jessie Pais ley, making no fuss, saying n words. In short, the way Shank would have wanted.

At the same time you wer struck by how things hav changed. The statue was drape in a sheet covered in Carlsber logos, a form of advertisin that would have been unhear of in Shankly's day. To have brewery pay for a tribute to confirmed teetotaller woul have amused him greatly.

– Guy Hodgs

FA CUP COUNTDOWN

Linnets hoping for a merry day out at Millmoor

A trip to Rotherham *may* not seem like a glamorous day out, but for one Norfolk *non-League club it is* something to savour. *Rupert Metcalf* **explains.**

The last time King's Lynn beat a Football League club in the FA Cup, the *directors* of their vanquished Third Division opponents were so distressed by the experience that they sacked their manager.

Being beaten 2-1 on home ground in November 1961 by the *Linnets, as King's Lynn* are known, was the end of the road at Coventry City for Billy Frith. He was replaced by Jimmy Hill, and the Sky Blue Revolution was underway.

As the Linnets' own club history states: "Had it not been for Lynn's Cup exploits, it can be claimed that Jimmy Hill might never have become the household *name* he is today. KLFC have much to answer for!"

On Saturday, at Millmoor, the Norfolk club will be seeking their first share of the FA Cup headlines since those long-gone days of the early 60s. Their second-round opponents, Rotherham United, have been in impressive form in recent weeks, so a loss to the Linnets is unlikely to lead to the departure of their manager, Ronnie Moore, but it would *certainly* heap embarrassment and humiliation upon the South Yorkshire club.

This is because Lynn are by no means big fish in the non-League pond. They have never played in the GM Vauxhall Conference and, although they are currently riding high in the Dr Martens (Southern) League Premier Division, within the last 10 years they have nearly slipped out of the Southern into a local league.

The Walks, their spacious stadium, was passed fit for the Conference earlier this year, so there are high hopes at the 118-year-old club that they might join the non-League élite in the not too distant future. *The Walks'* crowd record was set in 1951, when 12,937 saw Lynn removed from the FA Cup by Exeter. They first entered the Cup in 1900, and five seasons later they reached the first round for the first *time. They lost 11-0* at *Aston* Villa – still their record defeat in the competition.

The Linnets did not defeat a Football League club in the Cup until 1959, when they overcame Aldershot 3-1 at The Walks. They have reached the third round once, in 1962, when their win at Coventry earned them a trip to Everton. *Lynn* were then, not for the first or the last time, in financial difficulties, and their share of a 44,916 gate at Goodison was welcome. A 4-0 defeat did not embarrass them, either.

Before their 1-0 home win over Bromsgrove Rovers *in the* first round last month, their last win *in* the Cup proper was in 1973, when Wimbledon were beaten 1-0 at The Walks. That was not the shock result it would be today, though, for the Dons were then, as Bromsgrove are now, rival members of the Southern League.

Although the Linnets have stayed firmly out of the Cup limelight for years, their manager has not. Peter Morris steered Kettering Town to the fourth round in 1989, they beat Bristol Rovers and Halifax Town before losing to Charlton Athletic. They also just missed out on a place in the Football League, finishing second to Maidstone United in the *Conference* that season.

"We're not that good yet," Morris said this week when asked if his current team could emulate the feats of that Kettering side, "and we've got a very stiff task at Rotherham."

Morris is one of the most experienced managers in the non-League game. As a player he was a determined midfielder with Mansfield, Ipswich and Norwich. He began his managerial career in 1976 at *Mansfield* and has also been in charge of Peterborough, Crewe and Southend and, outside the League, Nuneaton and Boston United as well as Kettering and now the Linnets.

At *The Walks* Morris has built a *side* that displays the same honest, hard-working qualities that he showed as a player. His only player with substantial League experience is Tony Spearing, a left-back formerly with Norwich, Leicester, Plymouth and Peterborough, but several other players were rejected by League clubs and may feel they have something to prove: One is the former Ipswich goalkeeper James Hollman, who could be the busiest man on the pitch at Rotherham.

For Hollman and most of his team-mates, tomorrow's trip to Millmoor will be the biggest match of their careers to date. Along with a live television audience, Morris was highly impressed by Rotherham when he travelled to Turf Moor to watch them thrash Burnley 3-0 in a first-round replay – but, as Morris said: "There's always one shock result, and it could be us."

مكان الاصل

Zaralaska stock goes into free-fall

Festival prospects wax and wane at Leicester, but there will be no return to Aintree for last year's Grand National winner. *Greg Wood* reports.

The value of an investment in ante-post markets can not only go down as well as up – it can also evaporate completely. That seems to be the fate of bets on Zaralaska for the Champion Hurdle in March following his defeat in a novice event at Leicester yesterday, and even those optimists who had backed him at 16-1 for the Festival will have found little to comfort them in his performance.

One small consolation, perhaps, is that Alderbrook, another top-class Flat horse who switched codes, was also beaten early in his career over hurdles. A season later, he raced – and won – twice over the sticks, with the second victory coming in the Champion Hurdle itself.

Yesterday's contest – which was won, to give him due credit, by Wahiba Sands, another useful recruit from the Flat – was also run at a very slow pace, which would not have suited Zaralaska, but it is still hard to believe that he could not give the winner 7lb and justify his starting price of 1-5.

"They've gone no gallop and it turned into a sprint," David Nicholson, Zaralaska's trainer, said. "But he's jumped well and he will go to Kempton on Boxing Day for the novice hurdle." William Hill immediately him from their Champion Hurdle betting, while Coral introduced Wahiba Sands, who was the first ever winner over hurdles for John Dunlop, at 16-1.

"We schooled him last year and he seemed to enjoy it," Marcus Hosgood, Dunlop's assistant, said. "We did it again this time and he jumped so well that we thought we'd give it a go." The Knights Royal Hurdle at Ascot on 20 December may be his next stopping-off point.

A more realistic chance of success at Cheltenham in March seems to be held by Vent D'Aout, who ran away with the three-year-old hurdle and is now a 16-1 chance for the Triumph Hurdle. Martin Pipe, Vent D'Aout's trainer, now has three in his yard who are vying for ante-post favouritism for the juvenile championship – Rainwatch and The French Furze are the others – but since Vent D'Aout is owned by the Elite Racing Club, which sponsors the Triumph, it is fair to assume that she will take her place in the line-up next year.

RICHARD EDMONDSON
NAP: Skycab
(Sandown 1.00)
NB: Clifton Set
(Exeter 2.25)

The future is rather more uncertain, though, for Lord Gyllene, the impressive winner of last season's Grand National. So convincing was his performance at Aintree in April – he beat Suny Bay, last Saturday's Hennessy winner, by 25 lengths – that he would surely have won even under top weight, and no other National winner since Red Rum has appeared to have a better chance of adding a second success to his record.

Yesterday, however, it was confirmed that Lord Gyllene, who is owned by Stan Clarke, will not run at all this season. Zena Brookshaw, wife of the gelding's trainer, Steve, said: "Steven, Mr Clarke and the vets have further discussed Lord Gyllene's prospects for the 1998 Grand National and have decided that, though they are very pleased with his progress, they will not take the risk this year with his being still such a young horse."

Another Grand National winner, Rough Quest, will miss his intended reappearance in the Rehearsal Chase at Chepstow tomorrow, but his problem is no more serious than a bruised foot, and Terry Casey, his trainer, could well send him instead to the Tommy Whittle Chase at Haydock a week later. His possible opponents there include The Grey Monk and Simply Dashing, which would certainly make his debut worth the wait.

The Rehearsal is, in theory, a dry run for the Welsh National at Chepstow just after Christmas, but with Rough Quest having already frightened off any worthwhile opposition, the latest renewal has rather lost its significance. Instead, punters yesterday wanted to back Samlee, a runner at Sandown today, and he is now 8-1 (from 14-1) in the ante-post betting.

Another leading candidate, meanwhile, will be without his regular partner if he lines up on 27 December. Timmy Murphy, who would have ridden Belmont King, felt the full force of Jockey Club discipline yesterday, when he was banned for 30 days (19 December- 3 January) at Portman Square, London.

Wahiba Sands takes the last flight on his way to upsetting Zaralaska at Leicester. Photograph: Julian Herbert/Allsport

RESULTS

LEICESTER

12.50: 1. VENT D'AOUT (A P McCoy) 1-2 fav; 2. Jazz Track 13-2; 3. Grate Times 50-1. 13 ran. 14, ¾. (M Pipe, Wellington). Tote: £1.40; £1.40, £1.80, £12.50. DF: £3.10. CSF: £4.57. Trio: £93.60.

1.20: 1. OLIVER'S SECRET (A P McCoy) 5-1 fav; 2. Johnsgoodun 6-1; 3. Man of The Match 8-1. 15 ran. 10, 2½. (M Pipe, Wellington). Tote: £5.90; £2.80, £2.10, £2.80. DF: £16.20. CSF: £33.77. Trio: £31.80. NR: Bank Avenue, Churchtown Chance, Lanlau.

1.50: 1. SOUTH WEST EXPRESS (W Marston) 9-1; 2. Viscount Tully 8-1; 3. Eskimo Kiss 11-2; 4. Evezio Rufo 8-2. 16 ran. 4-1 fav Edward Seymour (5th). 2½, 3½. (O Wintle, Westbury On Severn). Tote: £21.20; £4.10, £2.50, £1.20, £1.80. DF: £120.60. CSF: £78.22. Tricast: £418.12. Trio: £114.40.

2.20: 1. EDREDON BLEU (J Culloty) 8-1; 2. Cheryl's Lad 4-1; 3. In Truth 9-1. 8 ran. 7-2 fav Rustic Air. ½, 3½. (Miss H Knight, Wantage). Tote: £8.20; £1.40, £1.90, £2.40. DF: £41.60. CSF: £35.38. Tricast: £263.42. Trio: £86.40. NR: Seod Rioga.

2.50: 1. WAHIBA SANDS (A P McCoy) 11-2; 2. Zaralaska 1-5 fav; 3. I'm Maggy 20-1. 10 ran. 4, 12. (J Dunlop, Arundel). Tote: £5.80; £1.10, £1.10, £1.30. DF: £1.40. CSF: £6.43. Trio: £1.90.

3.20: 1. FLEET CADET (G Supple) 4-5 fav; 2. Nessun Doro 5-1; 3. Salisong 10-1. 14 ran. 2, 30. (M Pipe, Wellington). Tote: £1.70. DF: £3.00. CSF: £4.67.
Jackpot: £39,754.30.
Placepot: £31.50. Quadpot: £12.30.
Place 6: £31.91. Place 5: £23.69.

WINDSOR

12.30: 1. SHAHRUR (M A Fitzgerald) 3-1 jt fav; 2. Bullfinch 14-1; 3. Wild Rita 3-1 jt fav. 16 ran. 2, 12. (G L Moore, Brighton). Tote: £3.70; £1.30, £6.00, £1.40. DF: £18.10. CSF: £47.76. Trio: £38.60.

1.00: 1. HALONA (D Gallagher) 8-1; 2. Special Beat 3-1 fav; 3. Persian Butterfly 8-1. 7 ran. 10, sh-hd. (C Morlock, Wantage). Tote: £22.90; £4.90, £2.10. DF: £33.90. CSF: £31.41.

1.30: 1. INTO THE CLAN (J F Titley) 100-30; 2. Hurn 'N' Haw 13-2; 3. Scotby 7-4 fav. 6 ran. 12, 29. (Miss H Knight, Wantage). Tote: £3.70; £1.60, £3.00, £1.60. DF: £11.30. CSF: £24.65.

2.00: 1. GEORGE BULL (A Thornton) 20-1; 2. Better Offer 1-3 fav; 3. Blurred 7-1. 15 ran. Nk, 10. (Capt T Forster, Downton). Tote: £38.10; £5.80, £1.10, £1.70. DF: £9.70. CSF: £28.73. Trio: £19.50. NR: Zidac.

2.30: 1. NASHVILLE STAR (C Llewellyn) 13-2; 2. Cooltean Hero 9-2; 3. Dear Do 9-1. 8 ran. 2-1 fav Sir Dante. Nk, 2½. (R Mathew, Burford). Tote: £10.50; £2.10, £1.80, £1.40. DF: £18.80. CSF: £34.65. Tricast: £241.79.

3.00: 1. DAMAS (Mr G Elliott) 100-30; 2. Home 9-2; 3. Nescaf 2-1 fav. 8 ran. 2, (M Pipe, Wellington). Tote: £3.60; £1.70, £2.30. DF: £6.40. CSF: £17.74.

3.30: 1. AUGUST TWELFTH (Mr S Durack) 12-1; 2. Cabochon 7-2 jt fav; 3. Dark Stranger 16-1. 12 ran. 7-2 jt fav Come On Penny. 3, ¾. (D O'Brien, Tunbridge). Tote: £9.40; £2.50, £1.70, £4.30. DF: £23.80. CSF: £55.97. Tricast: £654.97. Trio: £166.30.
Placepot: £25.00. Quadpot: £8.20.
Place 6: £75.86. Place 5: £48.67.

LINGFIELD

12.40: 1. CHIPSTEAD BAY (C Scally) 16-1; 2. Time To Fly 4-1; 3. Sharp Imp 2-1 fav. 9 ran. 2½, 8. (K Ivory). Tote: £23.70; £3.30, £1.80, £1.70. DF: £100.30. CSF: £70.21. Tricast: £70.94. Trio: £50.80.

1.10: 1. BATCHWORTH BELLE (S Carson) 7-4 fav; 2. Precious Princess 7-2; 3. Mojo's Magic 9-2. 8 ran. (E Wheeler). Tote: £1.90; £1.10, £1.60, £1.40. DF: £3.80. CSF: £7.33. Trio: £8.30. NR: Missed The Cut.

1.40: 1. SIGNED AND SEALED (T Williams) 11-2; 2. Flying Colours 10-11 fav; 3. Ihtimaab 15-2. 9 ran. Hd, 8. (C Cyzer). Tote: £9.00; £1.50, £1.80, £1.10. DF: £4.70. CSF: £10.35. Trio: £14.50. NR: Chimborazo, Father Dan.

2.10: 1. WHISPERED MELODY (A Clark) 5-1 fav; 2. Square Mile Miss 16-1; 3. Mo- 14-1. 12 ran. Nk, ½. (J Akehurst). Tote: £2.00; £1.50, £2.90, £2.10. DF: £17.60. CSF: £25.85. Tricast: £222.41. Trio: £138.30.

2.40: 1. LIONIZE (W Ryan) 7-2; 2. Steppes Brow 3-1; 3. Pine Ridge Lad 7-1. 5 ran. 2-1 fav Secret Spring. 7, 2. (Mrs J Cecil). Tote: £4.70; £1.50, £2.30. DF: £11.60. CSF: £10.55.

3.10: 1. LUCY IN THE SKY (N Carlisle) 100-30; 2. Wild Nettle 33-1; 3. Friendly Brave 11-4 fav. 9 ran. 1¾, 1¼. (B Meehan). Tote: £3.50; £1.90, £9.00, £1.80. DF: £85.30. CSF: £91.83. Tricast: £312.83. Trio: £250.30.

3.40: 1. VRENNAR (Miss B Sanworth) 5-2 fav; 2. Don't Drop Bombs 5-1; 3. Mr Forty-Nine 11-4. 8 ran. 3, ¾. (J Fanshawe). Tote: £3.00; £2.00, £1.10, £1.10. DF: £8.80. CSF: £15.17. Tricast: £24.23. Trio: £5.00. NR: Shaded.
Placepot: £12.80. Quadpot: £6.90.
Place 6: £15.09. Place 5: £8.22.

SANDOWN

HYPERION

1.00 Golden Eagle (nb)
1.30 Stanmore
2.05 Fujiyama Quest
2.35 Redeemyourself
3.10 SAMLEE (nap)
3.40 Nemisto

GOING: Chases - Good (Good to Soft in places); Hurdles - Good to Soft (Good in places)
● Right-hand course with stiff fences and an uphill finish.
● Course is on A307, 4m south of Kingston. Esher station (service from London, Waterloo) adjoins course. ADMISSION: Club £15, Junior Club (17 - 21yrs) £13; Grandstand, Park enclosure £4. CAR PARK: £2 in members (More Lane), remainder free.
● LEADING TRAINERS: D Nicholson 22-75 (29.3%), J Gifford 17-127 (13.4%), J Old 10-38 (26.3%), N Henderson 8-79 (10.1%).
● LEADING JOCKEYS: R Dunwoody 22-81 (27.2%), A Maguire 19-77 (24.7%), A P McCoy 11-59 (18.6%), G Bradley 9-76 (11.8%).
● FAVOURITES: 120 wins in 314 races (38.2%).
BLINKERED FIRST TIME: Dantes Cavalier (1.30), Fujiyama Crest (2.05)

1.00 DECEMBER 'NATIONAL HUNT' NOVICE HURDLE (CLASS D) £4,000 added 2m 110yds Penalty Value £3,152

1	4022-1	DINES (27) (D) (T Chappell,T Curry,D Nicholls&J Blockwell) P Nicholls 5 11 4	T J Murphy
2	1/1	ROWINGTON (41) (D) (Mrs Jane Lane) D Nicholson 6 11 4	A Maguire
3	0-0	ASK IN TIME (21) (Darren C Mercer) Miss H Knight 5 11 0	J Culloty
4	50/	BOLD ROMEO (580) (Queen Elizabeth) N Henderson 5 11 0	J R Kavanagh
5	02-	BORODINO (303) (Mrs Philippa Cooper) C Brooks 5 11 0	S McNeill
6	2/	BRACEY RUN (844) (BF) (Doublepoint) J Old 7 11 0	C Llewellyn
7	120-02	BRUSH ME UP (13) (Mrs C A Waters) P R Webber 5 11 0	R Thornton (3)
8		CHICAGO CITY (S N J Embiricos) J Gifford 4 11 0	O Burrows (5)
9	0-	COOL NORMAN (NZ) (214) (Mrs D Vaughan) B De Haan 5 11 0	D Gallagher
10	611-2	COUNTRY BEAU (23) (D) (BF) (Mrs J J Peppiatt) J King 5 11 0	R Dunwoody
11		DERRY'S GLORY (P R Hedger) P Hedger 5 11 0	I Lawrence
12	5055-	EMBARGO (268) (J L Dunlop) J Dunlop 5 11 0	Mr H Dunlop (7)
13	42-	GOLDEN EAGLE (298) (Peter Oldfield) N Henderson 5 11 0	M A Fitzgerald
14	50-	GORMAN (248) (Raycraft Ltd) Miss H Knight 5 11 0	J F Titley
15	2/	GREAT STUFF (890) (Uplands Bloodstock) C Brooks 6 11 0	G Bradley
16	56-6	MONTROE (16) (Miss Meriel Tufnell) R Rowe 5 11 0	D Bridgwater
17	13-2	SIMONS CASTLE (26) (D) (BF) (Mrs B Marchant) R O'Sullivan 4 11 0	A P McCoy
18	4-5	SKYCAB (23) (P H Betts (Holdings) Ltd) J Gifford 5 11 0	P Hide
19	0	SMARTY (23) (Mrs T Brown) Mrs J Pitman 4 11 0	O Leahy
20	0-	LUCYS RED SLIPPER (247) (P J Jones) P Jones 5 10 9	G Upton
21	0	PETITE IBNR (23) (R K Carvill) A Turnell 6 10 9	C Rae (7)

– 21 declared –

BETTING: 5-2 Country Beau, 11-4 Rowington, 9-2 Golden Eagle, 11-2 Dines, 10-1 Simons Castle, 12-1 Skycab, 14-1 Embargo, 16-1 Bracey Run, Montroe, Great Stuff, 20-1 Brush Me Up, Smarty, Ask In Time, Chicago City, Borodino, 25-1 others

1996: Hurricane Lamp 5 11 10 A Maguire 7-4 fav (D Nicholson) 12 ran

FORM GUIDE

Rowington promises to be above average at this jumping game – as was Pollerton, the sire of his dam, Cherry Crest. David Nicholson got him back in working order at Worcester six weeks ago (easy win from bad opposition) after the problems since a bumper win on the same course over two years earlier. This obviously rates a sterner test of his ability. GOLDEN EAGLE could be take this on his hurdles debut after showing promise in bumpers. Fourth of 20 to Billy Box here last March, he reappeared a fortnight later to run Country Beau to a length at Newbury. He is 7lb worse off with Jeff King's charge but appeals as the type to do even better over hurdles. That form with Country Beau is decent, bearing in mind that Arctic Camper, second to Country Beau at Kempton, went on to fill second to Florida Pearl at Cheltenham and then won at Punchestown. Country Beau has had a recent run - favourite when second to Cherrymore at Newbury last month - so holds an obvious chance fitness-wise. The ex-Irish bumper horse Dines will find this tougher after the Wincanton win from Tree Creeper on a faster surface. Skycab is reported smart and takes on Country Beau again after finishing 13 lengths behind him at Newbury. Selection: GOLDEN EAGLE

1.30 P & O DEVELOPMENTS NOVICE CHASE (CLASS D) £6,000 added 2m 4f 110yds Penalty Value £4,065

1	11212-5	AMLAH (USA) (21) (Salvo Giannini) P Hobbs 5 11 7	A Maguire
2	-3U21P	STANMORE (13) (D) (Uplands Bloodstock) C Brooks 5 11 4	G Bradley
3	21/C	BENGERS MOOR (265) (J A Townshend) P Nicholls 6 11 0	T J Murphy
4	1C-32	DANTES CAVALIER (16) (W H Dore) D Gandolfo 7 11 0	R Dunwoody B
5	635-40	SMUGGLER'S POINT (USA) (16) (Mrs V R Hoare) J Bridger 7 11 0	P Hide
6	F223-1	WISE KING (24) (Denis Mann) J Old 7 11 0	C Llewellyn

– 6 declared –

BETTING: 15-8 Dantes Cavalier, 3-1 Wise King, 7-2 Bengers Moor, 5-1 Stanmore, 6-1 Amlah, 20-1 Smuggler's Point

1996: Potters Bay 7 11 7 A Maguire 2-7 fav (D Nicholson) 2 ran

FORM GUIDE

It could be relevant that Royal Event won at Southwell on Wednesday after two runs and Dantes Cavalier is the same type from the yard after appearing at Exeter and Huntingdon. Pipped by Lord Roobie at Huntingdon with the rest well beaten off, Dantes Cavalier now has the blinkers on for the first time, but he did beat Lord Roobie ten lengths over hurdles at Folkestone last season. Winner of a hot bumper at Aintree from Ashwell Boy on the day Royal Athlete won the National, Dantes Cavalier could still be worth opposing at the short odds so BENGERS MOOR is worth the bet on his debut over regulation fences. Bengers Moor won three times in points from five attempts. Lack of a previous run hasn't stopped plenty of his horses this season and Bengers Moor could well outstay Dantes Cavalier today. Wise King should love this trip on his chasing debut after winning with a big weight over hurdles at Newbury on his reappearance. With cut in the ground, he would not be without a chance and is preferred to fast-ground winner Amlah and fast-ground Cheltenham handicap winner Stanmore. Selection: BENGERS MOOR

2.05 BOVIS CROWNGAP WINTER NOVICE HURDLE (GRADE 2) (CLASS A) £15,000 added 2m 6f Penalty Value £9,375

1	100-F1	BRACKENHEATH (14) (John Gosti) D Grissell 6 11 4	A P McCoy
2	11-11	NOISY MINER (13) (Mrs R J Skan) D Nicholson 5 11 4	A Maguire
3	FP-2P6	CHERRYNUT (28) (Hunt & Co (Bournemouth) Ltd) P Nicholls 6 11 0	T J Murphy
4	4	FUJIYAMA CREST (13) (Roger Barnes) N Henderson 5 11 0	M A Fitzgerald B
5	333-4R	PHYSICAL FUN (14) (A C Blackmore) A Blackmore 6 11 0	D Gallagher
6	P-3	PROSPERO (19) (Mrs Gaynor Scruton) Mrs A Perrett 4 11 0	R Dunwoody
7	23-C	RELATIVE CHANCE (15) (CD) (Miss S Douglas-Pennant) J King 6 11 0	J Culloty
8	111-22	SONG OF THE SWORD (19) (Lady Lloyd Webber) J Old 4 11 0	G Bradley
9	45/0-2	MADAM MUCK (10) (The Co-optimists) N Twiston-Davies 6 10 9	C Llewellyn

– 9 declared –

BETTING: 11-8 Noisy Miner, 7-2 Fujiyama Crest, 5-1 Song Of The Sword, 6-1 Prospero, 10-1 Brackenheath, 12-1 Cherrynut, 14-1 Relative Chance, 16-1 Madam Muck, 66-1 Physical Fun

1996: Yahmi 6 11 4 J Osborne 4-1 (J Old) 6 ran

FORM GUIDE

David Nicholson's Jack Tanner was beaten at 4-1 on in this race last year and the trainer saddles his unbeaten Noisy Miner against Nicky Henderson's FUJIYAMA CREST over a stayers' trip which will suit the latter after a debut run at Ascot behind Zaralaska. Bought out of Michael Stoute's yard for 65,000gns, Fujiyama Crest will always be remembered as the final leg of Frankie Dettori's golden day at Ascot. That hurdles run a fortnight ago was Fujiyama Crest's first outing since and this stuffy character, a confirmed stayer, will come on a bundle. He lost his place when the pace quickened at Ascot, but he got going again on the turn for home and it was a performance that gave a hint that a win was likely when he was put over a longer trip. With two bumper wins on the fast ground last year, Noisy Miner has done nothing wrong with hurdle wins at Chepstow and Aintree. The opposition hasn't been that good but Noisy Miner has won in style and has a favourite's chance now he's stepped up in distance. Winning point-to-pointer and novice chaser Cherrynut is a back over hurdles after his sixth to Senor El Betrutti at Cheltenham. There must be doubts about him having the pace, while Brackenheath is in a stronger race after beating Decyborg at Ascot. Song Of The Sword was a better than Prospero on their fast-ground form behind Tidal Force at Cheltenham. Selection: FUJIYAMA CREST

2.35 BOVIS LELLIOTT HANDICAP CHASE (CLASS B) £9,500 added 2m 4f 110yds Penalty Value £6,652

1	64-43-	OATIS REGRETS (352) (CD) (D C G Gyle-Thompson) Miss H Knight 9 11 10	A Maguire
2	U4-42	MISTER DRUM (20) (D) (Malcolm Batchelor) M Wilkinson 8 11 10	R Dunwoody
3	11/1-5	REDEEMYOURSELF (13) (C) (D) (Mrs T Brown) J Gifford 8 11 9	P Hide
4	113-F5	LINTON ROCKS (126) (D) (The Hon Mrs Townshend) P Nicholls 8 11 9	T J Murphy
5	3/113-	ARFER MOLE (281) (CD) (BF) (W E Sturt) J Old 9 11 7	C Llewellyn
6	F113-1	PHILIP'S WOODY (26) (CD) (A G Knox) N Henderson 9 11 7	M A Fitzgerald
7	11-3F3	ART PRINCE (18) (D) (T Neill, A Tuckerman, D Allport) C Brooks 7 11 2	G Bradley
8	3-2S2F	RED BEAN (19) (C) (Kage Vincent) K Vincent 9 10 0	R Thornton (3)

– 8 declared –

Minimum weight: 10st. True handicap weight Red Bean 9st 10lb.

BETTING: 5-2 Redeemyourself, 7-2 Philip's Woody, 11-2 Arfer Mole, 8-1 Mister Drum, 7-1 Art Prince, 15-2 Oatis Regrets, 8-1 Linton Rocks, 12-1 Red Bean

1996: Stately Home 5 10 0 A Maguire 9-4 jt fav (P Bowen) 5 ran

FORM GUIDE

Redeemyourself looks the assured favourite after the Ascot showing behind Simply Dashing, but ARFER MOLE can beat him despite the return from an absence. Arfer Mole came to hand first time up last season when beating Second Call at Towcester and followed up over this course and distance from Eulogy. He found it tough under a big penalty against Teinein at Huntingdon on his final start, but he'll be fresh again today and the ground is spot on for him. An early mistake stopped Redeemyourself in the hot Ascot handicap won by Simply Dashing, but he was noted running on well in the closing stages. This useful sort will come on a lot for the run and he won in style over fences at Newbury on his only start last season. Art Prince is always likely to hit a few and this he did at Kempton last time when third of four finishers to Super Tactics after his first-fence departure here when favourite in the race won by Philip's Woody. At his best on fast ground Philip's Woody had his ground that day when beating Red Bean ten lengths and, while has only a pound worse with this rival, he still looks worth opposing on this softer surface. Mister Drum is another who prefers a faster surface and even with his Huntingdon winner partner Richard Dunwoody aboard, he looks beatable with the big weight. Oatis Regrets has had his problems and this gelding, raced just twice last season, faces a stern test on his reappearance. Selection: ARFER MOLE

3.10 BOVIS EUROPE HANDICAP CHASE (CLASS B) £9,500 added 3m 5f 110yds Penalty Value £6,359

1	111-4P	BUCK JAKES (USA) (26) (BF) (Arcadia Stable) T Forster 9 12 0	M A Fitzgerald B
2	16-35	INCHCAILLOCH (20) (CD) (BF) (F J Carter) J King 8 10 11	R Dunwoody
3	13F1-2	WHAT A HAND (20) (F A Bonsal) P Nicholls 9 10 9	T J Murphy
4	12-351	SAMLEE (13) (C) (White Lion Partnership) P Hobbs 8 10 3	D Bridgwater
5	U21-42	LITTLE MARTINA (15) (Christopher Newport) D Grissell 9 10 0	J R Kavanagh

– 5 declared –

Minimum weight: 10st. True handicap weight: Little Martina 9st 4lb

BETTING: 5-4 What A Hand, 9-4 Samlee, 5-2 Inchcailloch, 10-1 Buck Jakes

1996: Inchcailloch 7 11 7 C Maude 4-6 fav (J King) 4 ran

FORM GUIDE

INCHCAILLOCH won this last year from just three rivals who were all out of the handicap proper. That was his fourth win on the course and Jeff King goes for the race again with Richard Dunwoody booked. The gelding has got to do better than he did at Cheltenham last time when a long way behind What A Hand, but he ran well at Prestbury until clouting the third last. Cheltenham would never be Inchcailloch's ideal course and, with a bit more emphasis on toe today, he can surprise What A Hand. A star pointer for Richard Barber and a decent chaser when with Edward O'Grady in Ireland, What A Hand stays all day and this stamina test on ground more suitable than at Cheltenham offers him every hope after that second to Banjo. Samlee is another out-and-out stayer who won at Aintree from Court Melody. But he did finish a long way behind Inchcailloch in Bertone's race at Ascot beforehand, while American chaser Buck Jakes is again automatic top weight on the run-up to a tilt at the Grand National. Selection: INCHCAILLOCH

3.40 TOLL HOUSE HURDLE (CLASS D) £4,000 added 3YO 2m 110yds Penalty Value £2,814

1	-1F10	RUNNING DE CERISY (FR) (24) (D) (P A Deal) M Pipe 11 10	A P McCoy
2		GREEN POWER (F50) (Dentrec Limited) J Fanshawe 11 3	A Maguire
3		GUILDER (Economic Security) P R Webber 11 3	C O'Dwyer
4	3	HARMONY HALL (20) (Raymond Tooth) J Fanshawe 11 3	R Thornton (3)
5		KARABURAN (Mrs Helen Eyles) R Phelps 11 3	I Lawrence
6		LUDO (F102) (Simulex Limited) C Weedon 11 3	D Gallagher
7		MAJESTY (F83) (The Sporting Divers) S Dow 11 3	D Bridgwater
8		MIDNIGHT WATCH (USA) (F38) (P Winkworth) P Winkworth 11 3	T J Murphy
9		NEMISTO (F406) (The Nemisto Partnership) Miss H Knight 11 3	J Culloty
10		SHADIANN (F42) (Michael Blackburn & John Brown) P Murphy 11 3	R Dunwoody
11		SHARP TEMPER (F62) (M Archer & J Broadhurst) N Twiston-Davies 11 3	C Llewellyn
12	32	TOUGH ACT (20) (Mrs R Doel) Mrs A Perrett 11 3	M A Fitzgerald

– 12 declared –

BETTING: 3-1 Green Power, 7-2 Running De Cerisy, 4-1 Shadiann, 5-1 Harmony Hall, 8-1 Tough Act, 12-1 Majesty, Nemisto, 16-1 Ludo, Midnight Watch, Sharp Temper, 20-1 Karaburan, Guilder

1996: Far Dawn (USA) 3 11 7 C Maude 5-2 (Mrs A Perrett) 11 ran

FORM GUIDE

SHADIANN looks interesting with Richard Dunwoody up after the switch from Luca Cumani's stable. Bought for 32,000gns, Shadiann looks the type to shine first time up and he gets 10lb from Running de Cerisy, who found it tougher at Newbury with his penalty when beaten 12 lengths by Supply And Demand. James Fanshawe runs two – the newcomer Green Power with Adrian Maguire booked and Harmony Hall, who was close behind Tough Act when third to Misty Cay at Huntingdon. Green Power ran in the better races on the Flat and is a live-wire in this finale. Selection: SHADIANN

HEREFORD

HYPERION

12.40 Gunner B Special 1.10 Seahawk Retriever
1.40 Distant Storm 2.15 New Leaf 2.45 Laredo
3.20 Toskano 3.50 Tim French

GOING: Good (Good to Soft in places).
● Right-hand course with 300yd run-in.
● Racecourse is north of city on A49. Hereford rail station is one mile away. ADMISSION: Club £13; Tattersalls £10; Course Enclosure £5. Accompanied under-16s free. CAR PARK: Free.
● LEADING TRAINERS: M Pipe 33-95 (34.7%), N Twiston-Davies 26-94 (27.7%), N Henderson 14-30 (46.7%), P Hobbs 13-58 (22%)
● LEADING JOCKEYS: M A Fitzgerald 11-48 (22.9%), J R Kavanagh 10-57 (17.5%), B Fenton 7-28 (25%), R Johnson 8-74 (8.1%).
● FAVOURITES: 200-507 (39.4%).
BLINKERED FIRST TIME: Operetto (2.15).

12.40 PENCOED SELLING HURDLE (CLASS G) £2,400 2m 1f

1	-231FF	SUPERMICK (16) (D) (BF) M Pipe 6 11 5	C Maude
2		ATTARIKH (F67) Mrs A King 4 10 12	V Slattery
3	04	GUNNER B SPECIAL (43) J Neville 4 10 12	R Johnson
4	/5-504	PHROSE (9) (D) C Jones 7 10 12	L Suthern (7)
5	0-465	SOLDIER COVE (F7) O Burchell 7 10 12	D J Burchell
6	0-043F	WELSH SPINNER (58) Mrs I McKie 6 10 12	W Marston
7	2/15360	INDIAN NECTAR (11) R Brotherton 4 10 7	S Curran
8	550/P4	MEADOW DANCER (11) Miss S Wilton 8 10 7	B Powell
9	0084-0	ROC AGE (23) G Davies 8 10 7	Michael Brennan (3)

– 9 declared –

BETTING: 5-4 Supermick, 9-2 Soldier Cove, 13-2 Indian Nectar, 8-1 Gunner B Special, Welsh Spinner, Attarikh, 14-1 Meadow Dancer, 16-1 Phrose, 25-1 Roc Age

1.10 SIDNEY PHILLIPS FOR PUBS H'CAP CHASE (CLASS E) £4,500 2m 3f

1	43P-23	JASON'S BOY (2) (BF) J M Bradley 7 11 10	R Johnson
2	3-333U	SHERWOOD BOY (4) (C) K Bailey 8 11 6	P Henley (3)
3	/00-45	SENSE OF VALUE (7) J Smith 8 11 3	Mr O McPhail (7)
4	233-51	SEAHAWK RETRIEVER (16) (CD) P Nicholls 8 11 3	Mr J Tizzard (5)
5	P-5035	SANDS POINT (22) C Popham 7 10 0	B Powell B

– 5 declared –

Minimum weight: 10st. True handicap weight: Sands Point 9st 10lb.

BETTING: Evens Seahawk Retriever, 5-2 Sherwood Boy, 100-30 Jason's Boy, 12-1 Sands Point, 25-1 Sense Of Value

1.40 INNPLAN INSURANCE AMATEURS NOVICE HANDICAP HURDLE (CLASS E) £3,000 2m 1f

1	520-	SUNLEY SECURE (371) N Chance 4 11 10	Mr S Durack (5)
2	335/F3	EMPEROR BUCK (19) D Nicholson 9 11 8	Mr R Burton (7)
3	F-P311	GUTTERIDGE (8) (CD) P Evans 7 11 6 (7ex)	Mr A Evans (7)
4	5PP111	DISTANT STORM (15) (D) B Llewellyn 4 11 5	Mr J L Llewellyn (5) B
5	2321	BERYLLIUM (11) M Pipe 3 11 0 (7ex)	Mr G Elliott (5)
6	040665	HOTSPUR STREET (26) E L James 5 10 11	Miss S Samworth (7)
7	242244	MARGI BOO (11) M Sheppard 4 10 8	Mr O McPhail (7)
8	54U/6	EZZY'S BOY (17) S Mellor 9 10 6	Mr J Rees (7)
9	454-P0	COMEONUP (11) J M Bradley 6 10 1	Miss V Roberts (7)
10	5F211/	LADY CLARINA (551) S Brookshaw 7 10 0	Mr P Costello (7)
11	50424-	THE FENCE SHRINKER (196) D McCain 6 10 0	Mr G Lake (7)
12	/0002-	IRISH PERRY (354) T Morton 10 10 0	Mr E Byrne (7)
13	40F-40	POCONO KNIGHT (85) C Jones 7 10 0	Miss A Dudley (7)
14	-0PP00	SWEETLY DISPOSED (11) C Jones 9 10 0	Miss B Small (7)

– 14 declared –

Minimum weight: 10st. True handicap weight: Irish Perry 9st 10lb, Pocono Knight 9st 7lb, Sweetly Disposed 8st 12lb

BETTING: 8-4 Beryllium, 3-1 Gutteridge, 4-1 Distant Storm, 8-1 Margi Boo, 10-1 Sunley Secure, 12-1 Emperor Buck, 14-1 Lady Clarina, 16-1 Hotspur Street, 25-1 Ezzy's Boy, 33-1 others

2.15 TOTE NOVICE CHASE (QUALIFIER) (CLASS D) £5,000 2m 3f

1	040-C	GROUND NUT (13) (CD) R Buckler 7 11 5	B Powell
2	00P-PP	JEMARO (15) W Jenks 6 10 12	Gary Lyons
3	1300-	LORD MCMURROUGH (206) (D) J Neville 7 10 12	R Johnson
4	0261-2	NEW LEAF (18) D Gandolfo 5 10 12	P Niven
5	220-50	OPERETTO (15) Mrs S Nock 7 10 12	W Marston B
6	0P2-	STAGE FRIGHT (505) F Murphy 6 10 12	Mr S Durack (5)
7	23/U-5	BRIDEPARK ROSE (15) (C) M Muggeridge 9 10 7	C Maude
8	5PP4-P	KNOWING (11) P Watkins 10 10 7	Miss E James (7)

– 8 declared –

BETTING: 4-5 Ground Nut, 5-2 Lord McMurrough, 4-1 New Leaf, 16-1 Operetto, 20-1 Stage Fright, 25-1 Bridepark Rose, 66-1 others

2.45 WIDEMARSH NOVICE HURDLE (CLASS E) £3,000 2m 3f 110yds

1	1-11	LAREDO (13) N Chance 4 11 5	Mr S Durack (5)
2	400-60	ALTHREY PILOT (15) F Peacock 6 10 12	C Webb (5)
3	50-	BELARUS (156) Mrs I McKie 5 10 12	W Marston
4	1-14	BRAMBLEHILL DUKE (19) (BF) D Nicholson 5 10 12	R Johnson
5	2222	CUL DE SAC (16) (BF) S Brookshaw 6 10 12	S Wynne
6	2-06	DRAGON KING (27) C Barwell 5 10 12	P Henley (3)
7	000-	JUSTJIM (270) T Keddy 5 10 12	Michael Brennan (3)
8	PP-0	KING PADDY (9) Mrs S Johnson 5 10 12	Mr O McPhail (7)
9	d	LATCHFORD (28) I Williams 5 10 12	C Maude
10	05-P	LIGHTENING STEEL (9) D Caro 6 10 12	J A McCarthy
11	440-23	MACY (18) R Dickin 4 10 12	X Aizpuru (5)
12		SUMMIT (F902) Miss C Johnsey 6 10 12	G Hogan (3)
13	32-20	TONKA (15) D Gandolfo 5 10 12	P Niven
14	425-	CALLINDOE (291) J R Hughes 7 10 7	R Guest
15	431-P0	DONNRUA (10) F Jordan 6 10 7	O Byrne
16	0041	SOUTHWICK PARK (606) M Sheppard 5 10 7	B Powell

– 16 declared –

BETTING: 6-4 Bramblehill Duke, 9-4 Cul De Sac, 4-1 Laredo, 15-2 Tonka, 10-1 Macy, 20-1 Dragon King, 25-1 Callindoe, 33-1 Latchford, Belarus, 50-1 others

3.20 KINGS CAPLE NOVICE H'CAP CHASE (CLASS F) £4,000 added 3m 1f 110yds

1	0/333-	INDIAN DELIGHT (273) M Pipe 7 12 0	C Maude
2	501/21	TOSKANO (51) (CD) D Williams 5 11 13	Mr S Durack (5)
3	0/4P-1	LAUREN'S TREASURE (30) Mrs S Williams 6 11 9	W Marston
4	P2-53	BALLYEDWARD (11) R Buckler 7 11 8	B Powell
5	3P-PP-	OVER THE WREKIN (275) J R Hughes 10 11 ?	G Hogan (3)
6	00043-	BOURNEL (258) C Barwell 9 11 0	P Henley (3)
7	5P-422	SAMMORELLO (13) (CD) N Twiston-Davies 6 10 12	T Jenks
8	-340U	HIT THE FAN (731) N Twiston-Davies 8 10 11	R Johnson
9	3/-P3-	MARKET GOSSIP (364) R Alner 7 10 4	Mr J Tizzard (5)
10	PP4/6/	BALLYGRIFFIN LAD (1318) T McGovern 8 10 0	M Brennan (3)

– 10 declared –

Minimum weight: 10st. True handicap weight: Ballygriffin Lad 9st 10lb

BETTING: 9-4 Toskano, 4-1 Sammorello, 5-1 Lauren's Treasure, 6-1 Market Gossip, 7-1 Ballyedward, 8-1 Indian Delight, 20-1 Hit The Fan, Bournel, 33-1 others

3.50 SHEPHERDS MEADOW NH FLAT RACE (CLASS H) £1,500 added 2m 1f

1		BROWN MELODY Miss C Johnsey 4 11 4	L Cummins (5)
2		CABILLE (FR) Mrs L Taylor 5 11 4	R Guest
3	5	CAPTAIN MORRIS (9) P Wegmann 5 11 4	S Wynne
4		DANNY BELL D O'Shea 4 11 4	Michael Brennan (3)
5		FLORES Mrs J Pitman 5 11 4	G Hogan (3)
6		GLEN GRANT P R Webber 5 11 4	R Bellamy
7		KADOU NONANTAIS O Sherwood 4 11 4	J A McCarthy
8		LORD MAX Mrs S Richardson 5 11 4	Mr S Durack (5)
9		MY SECRET Mrs I McKie 5 11 4	W Marston
10		NUNS BEST FRIEND J M Bradley 4 11 4	B Powell
11	00	SAFE TO ASSUME (6) R Brazington 6 11 4	R Massey (3)
12		TIM FRENCH P Henley (M) 5 11 4	P Henley (3)
13	U-0	TIRLEY GALE (30) J Smith 5 11 4	Mr O McPhail (7)
14		TRAVELLING MAN Miss C Johnsey 5 11 4	P Niven
15		AUDLEY LASS Mrs J Pitman 4 10 13	R Johnson
16	0-	POLLYS SISTER (304) C Barwell 5 10 13	S Curran
17	00-	TA-RA-ABIT (281) R Peacock 4 10 13	C Webb (5)

– 17 declared –

BETTING: 5-2 Flores, 3-1 Kadou Nonantais, 5-1 Glen Grant, 7-1 Audley Lass, 12-1 My Secret, 14-1 Brown Melody, Safe To Assume, 20-1 Tirley Gale, Tim French, Danny Bell, Nuns Best Friend, 25-1 others

EXETER

HYPERION

12.50 It's Wallace 1.20 Indian Run 1.50 Boardroom Shuffle 2.25 Clifton Set 2.55 Supreme Charm 3.30 Sadler's Realm

GOING: Soft.
● Right-hand, undulating course. Stiff fences, stiff test of stamina. Run-in of 250yds.
● Course is 5m SW of Exeter on A38. ADMISSION: Grandstand & Paddock £10; Silver Ring £5 (accompanied under-16s free). CAR PARK: £2 on rails; £2 members; remainder free.
● LEADING TRAINERS: M Pipe 67-264 (25.4%), Miss H Knight 33-109 (30.3%), P Hobbs 24-122 (19.7%), R Frost 16-133 (12%).
● LEADING JOCKEYS: C Maude 14-80 (17.5%), M A Fitzgerald 13-100 (13%), P Holley 12-61 (19.7%), B Powell 9-152 (5.9%).
● FAVOURITES: 194-499 (38.9%).
BLINKERED FIRST TIME: Up The Tempo (1.20).

12.50 CHILDCRAFT CONDITIONAL JOCKEYS NOVICE HANDICAP HURDLE (CLASS F) £2,600 added 2m 2f

1	-2214	LORD NITROGEN (86) (C) B Llewellyn 7 11 12	Guy Lewis (3)
2	P0452-	MADAM'S WALK (214) N T-Davies 7 11 10	M Keighley (6)
3	45P230	IT'S WALLACE (9) J C Poulton 4 11 3	L Aspell
4	503-54	PROVINCE (24) C Mann 4 11 2	J Magee (3)
5	4504-6	SWAN STREET (NZ) (74) E L James 6 10 6	M Berry
6	54-103	SAAFI (15) R Baker 6 10 4	D Salter B
7	PPP-35	QUEEN OF THE SUIR (15) N Mitchell 8 10 0	Sophie Mitchell
8	/00P-0	ACHILL PRINCE (IRE) (15) N Ayliffe 6 10 0	M Griffiths
9	PPP/0P	TAILSPIN (21) Mrs J Scrivens 12 10 0	T Dascombe B

– 9 declared –

Minimum weight: 10st. True handicap weights: Queen Of The Suir 9st 13lb, Achill Prince 9st 5lb, Tailspin 8st 12lb.

BETTING: 5-2 Lord Nitrogen, 3-1 Madam's Walk, 4-1 Province, 9-2 Saafi, 7-1 It's Wallace, 14-1 Swan Street, Queen Of The Suir, 50-1 others

1.20 A.L.C. DOUBLE GLAZING SELLING HANDICAP CHASE (CLASS G) £3,000 added 2m 2f

1	43/124	INDIAN RUN (18) (D) (BF) R Hodges 6 12 0	T Dascombe
2	F35/F2	SHIMBA HILLS (23) C McCourt 9 11 12	D J Moffatt
3	6-6054	GLEN MIRAGE (13) M Coombe 12 11 5	Miss M Coombe
4	30F0U-	COLETTE'S CHOICE (273) G Ham 9 11 0	S Burrough
5	230F03	NORTHERN OPTIMIST (16) (D) B Llewellyn 9 10 6	Miss E J Jones (7)
6	22-34P	COOL WEATHER (16) C Popham 9 10 3	A Thornton B
7	20-2PP	UP THE TEMPO (30) P Farrell 8 10 2	R Greene B
8	63-54P	SILENT GUNS (NZ) (8) G Edwards 9 10 1	D Salter (5)
9	56-530	POOH STICK (30) R Frost 7 10 1	J Frost
10	F/UPU5	CHARLES QUAKER (17) M Saunders 7 10 0	P Holley

– 10 declared –

Minimum weight: 10st. True handicap weights: Charles Quaker 9st 8lb

BETTING: 9-4 Indian Run, 9-2 Silent Guns, 5-1 Shimba Hills, 6-1 Pooh Stick, Glen Mirage, 14-1 Cool Weather, 16-1 Charles Quaker, Northern Optimist, Up The Tempo, 20-1 Colette's Choice

1.50 CHILDCRAFT NOVICE CHASE (CLASS C) £6,500 added 2m 2f

1	20P-P	ARTISTIC PLAN (15) R Alner 5 11 6	P Holley
2	111-F	BOARDROOM SHUFFLE (13) (D) (BF) J Gifford 6 11 2	L Aspell (3)
3	P066-	PENNYMOOR PRINCE (273) R Frost 8 11 0	J Frost
4	PP0-2	CAMILLAS LEGACY (15) H Cole 6 11 9	D Salter (5)

– 4 declared –

BETTING: 1-8 Boardroom Shuffle, 13-2 Camilla's Legacy, 14-1 Pennymoor Prince, 25-1 Artistic Plan

2.25 A.L.C. WINDOWS HANDICAP CHASE (CLASS D) £5,000 added 2m 7f 110yds

1	4354-2	BRAVE HIGHLANDER (15) J Gifford 9 11 10	L Aspell (3)
2	31C-2	CLIFTON SET (13) C Mann 6 11 10	J Magee (3) B
3	1216	MALWOOD CASTLE (193) (D) (BF) R Alner 7 11 1	A Thornton
4	0-1462	SPECIAL ACCOUNT (188) (C) (D) C Barwell 11 10 12	B Fenton
5	5/U00-	VERYVEL (CZE) (293) J Neville 6 10 12	T Dascombe
6	403P-2	PENNCALER (IRE) (11) P Hobbs 7 10 6	G Tormey B
7	4565-2	STEEPLE JACK (22) (D) K Bishop 10 10 5	R Greene B

– 7 declared –

Minimum weight: 10st. True handicap weight: Steeple Jack 9st 9lb

BETTING: 3-1 Penncaler, 100-30 Malwood Castle, 4-1 Brave Highlander, 9-2 Clifton Set, 6-1 Special Account, 7-1 Steeple Jack, 16-1 Veryvel

2.55 E.B.F. 'NATIONAL HUNT' NOVICE HURDLE (QUALIFIER) (CLASS D) £4,600 added 2m 2f

1	2-C11	SUPREME CHARM (14) K Bailey 5 11 10	Mr R Wakley (5)
2	150-1	IRANOS (FR) (18) M Pipe 5 11 5	A Thornton
3	7-	BENEFIT-IN-KIND (349) Miss H Knight 5 11 0	B Fenton
4	00-P	CHARLIE BANKER (30) K Burke 5 11 0	R Greene
5	60F-0	CONQUER THE KILT (23) J Mullins 6 11 0	P Holley
6		DERBY GILCHREEST R Frost 5 11 0	J Frost
7	3FP-2	NOT FOR PARROT (IRE) (22) P Hobbs 5 11 0	C Tormey
8	16	ORSWELLTHATENSWELL (22) P Hobbs 6 11 0	Mr R Widger (7)
9	3-1	WINSTON RUN (26) I Williams 5 11 0	E Husband (3)
10	06-6	CLEVUM (16) N Twiston-Davies 5 10 9	J Goldstein (7)
11	0	SANDANTE (16) P Bucker 6 10 9	Sophie Mitchell (5)

– 11 declared –

BETTING: 7-4 Supreme Charm, 9-4 Iranos, 5-1 Winston Run, 13-2 Benefit-In-Kind, 12-1 Not For Parrot, 16-1 Orswellthatenswell, Glevum, 25-1 Derby Gilchreest, 33-1 others

3.30 A.L.C. CONSERVATORY H'CAP HURDLE (CLASS F) £2,600 added 2m 2f

1	01P1-4	COLONEL BLAZER (15) (CD) Miss H Knight 5 11 10	Mr A Wintle (7)
2	11F-33	THE FLYING DOCTOR (21) G Balding 7 11 2	A Bates (5)
3	0E-0-P	MUSICAL MONARCH (17) (CD) N Hawke 11 11 4	A Thornton
4	23-0/2	SADLER'S REALM (9) (BF) P Hobbs 4 11 3	G Tormey
5	P0/1-2	ALICE'S MIRROR (21) (D) K Bishop 5 10 3	R Greene B
6	0E0C-2	WALTER'S DESTINY (31) C Mitchell 5 10 3	Sophie Mitchell (5)
7	5-F-54	OTOTO (17) R Baker 5 10 3	V Slattery

– 7 declared –

Minimum weight: 10st. True handicap weights: Alice's Mirror 9st 12lb, Walter's Destiny 9st 8lb, Ototo 9st

BETTING: 7-4 Sadler's Realm, 7-2 Colonel Blazer, 4-1 Alice's Mirror, 9-2 The Flying Doctor, 6-1 Walter's Destiny, 20-1 Musical Monarch, 33-1 Ototo

● Cyborgo was backed from 8-1 to 7-1 with Coral for the Welsh National yesterday.

Coral: 7-1 Banjo, Cyborgo, 8-1 Indian Tracker, 9-1 Eudipe, 10-1 Belmont King, Givemtime, 12-1 Bells Life, Celtic Abbey, Lively Knight, Mudahim, Samlee, 14-1 Air Shot, Buckhouse Boy, Call It A Day, General Wolfe, Greenhil Tare Away, Kamikaze, 16-1 others

RUGBY UNION

Doubts over Scots' hooker and lock

Scotland's build-up to tomorrow's international with South Africa at Murrayfield was further disrupted yesterday, with two more players in danger of missing the match through injury.

The lock Stewart Campbell and hooker Grant McKelvey were both forced to miss training with what were described as "niggling injuries" and a decision on their participation will be made today.

Campbell is struggling with a calf strain picked up after the defeat by Australia, while McKelvey has a recurrence of an Achilles tendon problem that delayed his comeback earlier this season.

The Scots are already without the long-term injured Tom Smith, two other Lions in Doddie Weir and Alan Tait as well as the winger James Craig.

The Scotland coach, Richie Dixon, said: "We've had our injury troubles this week and it is very frustrating for everyone. But we will not take chances. If they are not 100 per cent fit we won't expose them to the rigours of international rugby."

The Watsonians lock Stuart Grimes, left out of the 21 named on Thursday, took Campbell's place as the squad ran through their training drills yesterday and he would step in for his second appearance after being a half-time replacement against Australia.

If McKelvey has to withdraw, Gordon Bulloch – the captain of both West of Scotland and Glasgow District – will step up from the bench for his international debut.

The South Africa stand-off, Henry Honiball, has been ruled out because of a knee injury he sustained against England.

Honiball, who has played in all four Tests on tour, will be replaced by the Free State No 10, Jannie de Beer, who made his debut against the Lions earlier in the year and now has six caps to his name.

RUGBY LEAGUE

Broncos given boost by Timu signing

London Broncos have stepped up their rebuilding for next season, making their most eye-catching capture so far with the signing of the New Zealand Test centre and former All Black, John Timu.

The double international has been a regular in Kiwi sides since switching codes with the Australian club Canterbury in 1995. It was his two late tries, for instance, that beat Great Britain in the first match of last year's Test series.

Newly promoted Huddersfield have been given permission to talk to St Helens' prolific 20-year-old winger, Danny Arnold, who is unsettled because of a dispute over pay.

Castleford have transfer-listed their centre, Grant Anderson, while Featherstone's former Great Britain Academy international, Darren Hughes, has announced his intention of retiring at the age of 23 after rejecting a new contract.

Clubs have been told that they will not be penalised financially if they choose not to field teams in the Alliance competition next season.

The Rugby League is in court in Leeds today trying to lift an injunction preventing it from considering Keighley's membership and funding for next season. The League's chief executive, Maurice Lindsay, has said that Keighley – who hope to announce new financial backing today – will be allowed to take part, but the question of their cash allocation has still to be decided.

– Dave Hadfield

Spain's Fernando Hierro (left) challenges Brazil's Ronaldo during yesterday's gala match in Marseilles

Photograph: Eric Gaillard/Reuters

ENGLAND'S OPPONENTS

Three Lions to face three uncertainties

A fortunate draw for Glenn Hoddle's men? They may think so, but, as *Guy Hodgson* explains, two of the teams are capable of brilliance.

When the World Cup seeds were first announced one team looked weaker than the others. As Glenn Hoddle was crossing his fingers before last night's draw, it is a fair guess he hoped he would be paired in the group headed by Romania.

Not that the Romanians lack ability – Gheorghe Hagi and Marius Lacatus will have few equals in the tournament – but their age will count against them. *Euro 96* was supposed to be the last hurrah for the team: to extend their world-class status for another two years is asking much.

Hagi will be 33 in France while Lacatus, who scored the first goal in the Europe versus Rest of the World match last night, will be 34. At 29, Ilie Dumitrescu, the former Tottenham player, almost represents a youth policy within the team.

Coached by Anghel Iordanescu, whose nickname is "The General", they reached the quarter-finals in the United States fours years ago but flopped in England, losing all three of their matches.

Then, reaching France seemed an unlikely prospect but instead of struggling they romped through qualification to finish 10 points ahead of the Republic of Ireland with an unbeaten record, scoring 37 goals and conceding only four in 10 matches. "They are a formidable team," Mick McCarthy, the Irish manager said after losing in Bucharest. "On their day, they can beat anyone."

As the statistics suggest, Iordanescu is a lover of attacking football and is prepared to take risks. "Whoever tries to understand my tactics," he said, "must realise I often reach my decisions by gut reaction."

Skilful, temperamental and as likely to be ordinary as brilliant, fatigue can drag the Romanians down and England are probably happier to face them in their second match, in Toulouse on 22 June, when their legs will be wearier.

The countries have met nine times previously and England have lost only once, in 1980. Ominously, that was in a World Cup qualification match. Their last match was at Wembley three years ago, which was a 1-1 draw.

While England will know a lot about the Romanians – and anything they lack they can get from McCarthy – their other opponents are less familiar. Newcastle's Faustino Asprilla is a known commodity, of course, but Colombia are a difficult side to assess. Tipped by Pele to win the World Cup in 1994 they lost all three of their group games, and the campaign had a tragic aftermath in that one of their players, Andres Escobar, was subsequently murdered.

A team ranked ninth in the world cannot be dismissed, however, and any side that can partner Asprilla with Carlos Valderrama has the potential to score goals. They, rather than Romania, might prove to be England's most difficult opening opponents.

Tunisia are unlikely to fill that role. They pose England's first test but look likely to be the whipping boys in qualification. This will be only their second appearance in the World Cup proper and despite being ranked 23rd in the world, they will probably repeat their first-round exit of 1978.

SCOTLAND'S OPPONENTS

Champions provide ultimate test for Brown

Last night's draw pitted Scotland against familiar opponents. *Phil Shaw* reports.

So the anthem of the Tartan Army's qualifying campaign proved prescient indeed. Scotland are "going to Gay Paree" – to the new Stade de France in the suburb of St Denis – though if the fantasies of their followers had been fully realised it would have been for the last game of *France 98*, the final, rather than the opening match against the world champions, Brazil.

Scotland and Brazil are no strangers to World Cup combat. They met in Frankfurt in 1974, when Willie Ormond's side had the better of a 0-0 draw, and again at Seville in 1982, a match remembered chiefly for the long-range David Narey goal which gave Jock Stein's team the lead before Zico, Oscar, Eder and Falcao beat Alan Rough.

They were also paired in the 1990 finals in rain-lashed Turin. Muller, on as a substitute, beat Jim Leighton eight minutes from time to ensure that Scotland failed, for the seventh time in as many appearances on the global stage, to advance beyond the first phase. Defeat also left Scotland, by then under Andy Roxburgh's stewardship, without a win over Brazil in eight attempts.

Then again, Scotland have not beaten any South American side in the World Cup, so it could be argued that it mattered little who they drew. Moreover, the first game of the tournament is invariably a tense affair, with both sides reluctant to reveal too much of their hand.

While he would doubtless have preferred Romania and Tunisia – who Scotland drew in the dummy run yesterday but now play England – Craig Brown will take consolation from the fact that they meet such tough opposition sooner rather than later.

Scotland will, however, be confident that their extraordinary run of clean sheets in competitive fixtures during Brown's reign will stand them in good stead. The prospect of Colin Hendry and company pitting themselves against Ronaldo and the reborn Romario is mouth-watering, and Leighton will be as prepared as any keeper can be for the viciously swerving set-pieces of Roberto Carlos.

As holders and therefore exempt from the 16-match round-robin tourney which Argentina and others had to endure, Brazil may lack a competitive edge. Although they won the South American Championship, Mario Zagallo's team were not up against the strongest opposition: the likes of Chile, still embroiled in the qualification process, sent virtual shadow squads, while the hosts, Bolivia, scarcely made for the most testing final opponents.

Given Scotland's history of embarrassments by so-called lesser nations – Iran, Costa Rica and Estonia spring to mind – they may be more concerned at drawing Morocco. The Moroccians, as Sir Alf Ramsey famously called them, are coached by Henri Michel, a Frenchman who guided his country to third place in 1986. Recent results include a draw with Croatia, victory over Nigeria and a narrow loss to Brazil.

The Scots' other opponents, Norway, are competing in the finals for only the third time. With many of the Norwegians based in the Premiership – Oyvind Leonhardsen, Ole Gunnar Solskjaer and Gunnar Halle to name but three – it promises to be like a typically "British" battle.

HOW TO GET TICKETS

Larger allocation sought as home fans face disappointment

Managers say getting to the World Cup is the hard part. Supporters are likely to agree with them if they attempt to follow England and Scotland to France next summer.

Just 28 per cent of the seats will be available to foreign fans. In a stadium such as the Stade de la Mosson in Montpellier, which has a capacity of 35,500, only 5,000 tickets would be available to each set of fans.

For supporters in England and Scotland there are two ways of buying tickets, via the official international travel clubs or via official travel operators.

The problem for anyone not already a member of England's Members Club (which has 27,000 members) or Scotland's equivalent (12,000 members) is that the organisations are very unlikely to be able to satisfy the demands of their current members. Anyone joining now would go to the back of the queue.

French supporters applying for tickets have to supply an address and bank account number in France.

However, tickets will be made available to 17 official travel operators around the world. Supporters wishing to buy tickets via these operators would have to buy a tickets-and-travel package. The FA said the names of the two British-based operators would be announced today, although the official World Cup Internet site has already announced that they will be Gullivers Sports Travel and Mike Burton Sports Travel.

"Since we qualified we've received 200 calls a day from people wanting tickets," Steve Double, spokesman for the Football Association, said. "The sad fact is that a lot of people are going to be disappointed, but we want as many of that number as possible to have a good chance of following England.

"They've proved in the past that they can behave responsibly and back the team in a way Glenn Hoddle and the players appreciate.

"We want them to be able to enjoy themselves in the same way they did in *Euro 96*, safe and trouble-free, and we would have no qualms in increasing the number of tickets to those fans who have followed England home and away in recent years. As a matter of urgency we will be urging Fifa [the sport's world governing body] to increase the allocation of tickets for England fans."

Scotland will be making similar representations on behalf of their supporters, but they, like England, are likely to be rebuffed. "There's simply no leeway on this issue," Keith Cooper, spokesman for Fifa, said. "Surely the Football Association does not want us to create security problems by taking tickets from here and there?"

Double added: "It is important that as many fans as possible get the chance to watch England. Priority will be given by us to the fans who followed England to Moldova, Poland, Georgia and Italy."

– Guy Hodgson

England Members Club, Football Association, 16 Lancaster Gate, London, W2 3LW

Tournament schedule

Group A

1 Brazil
2 Scotland
3 Morocco
4 Norway

Wed 10 June	(St Denis, 4.30)	Brazil	v Scotland
Wed 10 June	(Montpellier, 8.0)	Morocco	v Norway
Tues 16 June	(Bordeaux, 4.30)	Scotland	v Norway
Tues 16 June	(Nantes, 8.0)	Brazil	v Morocco
Tues 23 June	(Marseilles, 8.0)	Brazil	v Norway
Tues 23 June	(St Etienne, 8.0)	Scotland	v Morocco

Group B

1 Italy
2 Chile
3 Cameroon
4 Austria

Thurs 11 June	(Bordeaux, 4.30)	Italy	v Chile
Thurs 11 June	(Toulouse, 8.0)	Cameroon	v Austria
Wed 17 June	(St Etienne, 4.30)	Chile	v Austria
Wed 17 June	(Montpellier, 8.0)	Italy	v Cameroon
Tues 23 June	(St Denis, 3.0)	Italy	v Austria
Tues 23 June	(Nantes, 3.0)	Chile	v Cameroon

Group C

1 France
2 South Africa
3 Saudi Arabia
4 Denmark

Fri 12 June	(Lens, 4.30)	Saudi Arabia	v Denmark
Fri 12 June	(Marseilles, 8.0)	France	v South Africa
Thurs 18 June	(Toulouse, 4.30)	South Africa	v Denmark
Thurs 18 June	(St Denis, 8.0)	France	v Saudi Arabia
Wed 24 June	(Lyon, 3.0)	France	v Denmark
Wed 24 June	(Bordeaux, 3.0)	South Africa	v Saudi Arabia

Group D

1 Spain
2 Nigeria
3 Paraguay
4 Bulgarie

Fri 12 June	(Montpellier, 1.30)	Paraguay	v Bulgaria
Sat 13 June	(Nantes, 1.30)	Spain	v Nigeria
Fri 19 June	(Paris, 4.30)	Nigeria	v Bulgaria
Fri 19 June	(St Etienne, 8.0)	Spain	v Paraguay
Wed 24 June	(Lens, 8.0)	Spain	v Bulgaria
Wed 24 June	(Toulouse, 8.0)	Nigeria	v Paraguay

Group E

1 The Netherlands
2 Belgium
3 South Korea
4 Mexico

Sat 13 June	(Lyon, 4.30)	South Korea	v Mexico
Sat 13 June	(St Denis, 8.0)	Netherlands	v Belgium
Sat 20 June	(Bordeaux, 1.30)	Belgium	v Mexico
Sat 20 June	(Marseilles, 8.0)	Netherlands	v South Korea
Thurs 25 June	(St Etienne, 3.0)	Netherlands	v Mexico
Thurs 25 June	(Paris, 3.0)	Belgium	v South Korea

Group F

1 Germany
2 United States
3 Yugoslavia
4 Iran

Sun 14 June	(St Etienne, 1.30)	Yugoslavia	v Iran
Mon 15 June	(Paris, 8.0)	Germany	v US
Sun 21 June	(Lens, 4.30)	Germany	v Yugoslavia
Sun 21 June	(Lyon, 8.0)	US	v Iran
Thurs 25 June	(Montpellier, 8.0)	Germany	v Iran
Thurs 25 June	(Nantes, 8.0)	US	v Yugoslavia

Group G

1 Romania
2 Colombia
3 England
4 Tunisia

Mon 15 June	(Marseilles, 1.30)	England	v Tunisia
Mon 15 June	(Lyon, 4.30)	Romania	v Colombia
Mon 22 June	(Montpellier 4.30)	Colombia	v Tunisia
Mon 22 June	(Toulouse, 8.0)	Romania	v England
Fri 26 June	(St Denis, 8.0)	Romania	v Tunisia
Fri 26 June	(Lens, 8.0)	Colombia	v England

Group H

1 Argentina
2 Japan
3 Jamaica
4 Croatia

Sun 14 June	(Toulouse, 4.30)	Argentina	v Japan
Sun 14 June	(Lens, 8.0)	Jamaica	v Croatia
Sat 20 June	(Nantes, 4.30)	Japan	v Croatia
Sun 21 June	(Paris, 1.30)	Argentina	v Jamaica
Fri 26 June	(Bordeaux, 3.0)	Argentina	v Croatia
Fri 26 June	(Lyon, 3.0)	Japan	v Jamaica

SECOND ROUND

Saturday 27 June: Game 2 (Marseilles, 3.30)
Group B winner v Group A runner-up
Saturday 27 June: Game 1 (Paris, 8.0)
Group A winner v Group 8 runner-up
Sunday 28 June: Game 3 (Lens, 3.30)
Group C winner v Group D runner-up
Sunday 28 June: Game 4 (St Denis, 8.0)
Group D winner v Group C runner-up
Monday 29 June: Game 6 (Montpellier, 3.30)
Group F winner v Group E runner-up
Monday 29 June: Game 5 (Toulouse, 8.0)
Group E winner v Group F runner-up
Tuesday 30 June: Game 7 (Bordeaux, 3.30)
Group G winner v Group H runner-up
Tuesday 30 June: Game 8 (St Etienne, 8.0)
Group H winner v Group G runner-up

QUARTER-FINALS

3 July: Game B (St Denis, 3.30)
Game 2 winner v Game 3 winner
3 July: Game A (Nantes, 8.0)
Game 1 winner v Game 4 winner
4 July: Game C (Marseilles, 3.30)
Game 5 winner v Game 8 winner
4 July: Game D (Lyon, 8.0)
Game 6 winner v Game 7 winner

SEMI-FINALS

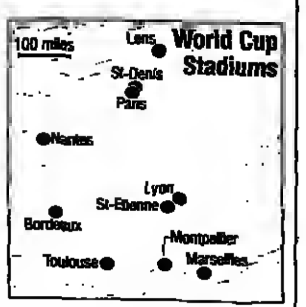
7 July, Marseilles (8.0)
Game A winner v Game C winner
8 July, St Denis (8.0)
Game B winner v Game D winner

THIRD PLACE PLAY-OFF: 11 July, Paris (8.0)

FINAL: 12 July, St Denis (8.0)

All times (which may be slightly altered to fit TV schedules) BST; local times one hour later.

VENUES

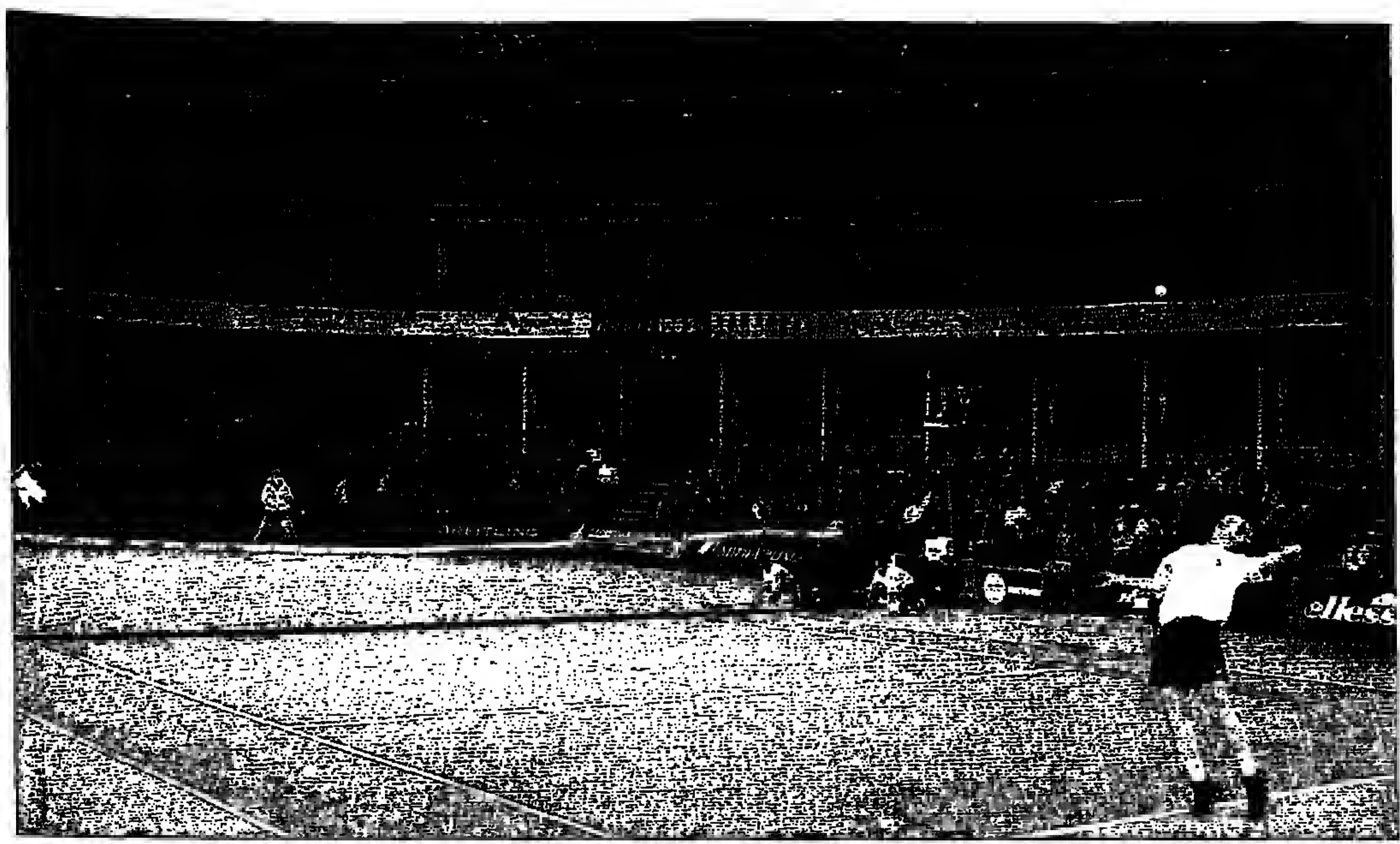


St Denis: Stade de France (capacity 80,000)
Paris: Parc des Princes (49,000)
Bordeaux: Stade Lescure (36,500)
Lens: Stade Felix-Bollaert (41,275)
Lyon: Stade de Gerland (44,000)
Marseilles: Stade Vélodrome (60,000)
Montpellier: Stade de la Mosson (35,500)
Nantes: Stade de la Beaujoire (38,500)
St Etienne: *Stade* Geoffroy-Guichard (36,000)
Toulouse: Stade Municipal (36,500)

LATEST ODDS

Team	C	H	L
Brazil	3-1	3-1	3-1
France	13-2	6-1	5-1
England	6-1	7-1	7-1
Germany	7-1	7-1	7-1
Holland	8-1	8-1	8-1
Italy	8-1	7-1	7-1
Argentina	11-1	12-1	12-1
Spain	14-1	16-1	14-1
Nigeria	25-1	33-1	28-1
Yugoslavia	18-1	25-1	33-1
Croatia	33-1	25-1	40-1
Romania	25-1	40-1	40-1
Bulgaria	50-1	50-1	50-1
Denmark	33-1	50-1	40-1
Norway	50-1	50-1	28-1
Belgium	50-1	40-1	66-1
Colombia	66-1	50-1	33-1
Paraguay	66-1	50-1	66-1
Austria	80-1	100-1	80-1
Cameroon	150-1	100-1	100-1
Chile	100-1	150-1	80-1
Mexico	80-1	150-1	100-1
Scotland	150-1	100-1	125-1
South Africa	100-1	100-1	150-1
South Korea	150-1	200-1	200-1
USA	150-1	200-1	200-1
Jamaica	250-1	250-1	250-1
Morocco	150-1	200-1	250-1
Saudi Arabia	200-1	200-1	250-1
Japan	300-1	250-1	250-1
Tunisia	300-1	250-1	250-1
Iran	500-1	300-1	250-1

Each way, a half the odds, places 1, 2
C – Coral, H – William Hill, L – Ladbrokes



John McEnroe shows there is still some spring in his legs as he serves in his defeat of Guillermo Vilas at the Albert Hall yesterday Photograph: Peter Jay

Rusedski out of Albert Hall event

The years will roll back at the Royal Albert Hall this afternoon when Bjorn Borg plays John McEnroe on a British court for the first time since the 1981 Wimbledon final. Yesterday, however, the non-appearance of one of the current generation, Greg Rusedski, was the talk behind the scenes at the Honda Challenge. *John Roberts* **reports.**

When the golden oldies began to take the court at the Royal Albert Hall yesterday, Greg Rusedski, the British No 1, was conspicuous by his absence from the supporting cast of doubles players.

The organisers had been informed on Wednesday night that Rusedski would not be able to participate because of a back injury.

"We're very disappointed to hear Greg is injured," Peter Worth, the tournament chairman said. "But we do find it peculiar that the morning after pulling out he had apparently been practising hard and hitting the ball well. He has assured us he will play the event in future, and we wish him well in his recovery."

Rusedski's withdrawal meant that the doubles event, a mixture of current ATP Tour players and prominent names from the past, had to be altered, and Tim Henman ended up partnering his coach, David Felgate. They opened the round-robin with a win against John Lloyd and Peter McNamara.

"I'm delighted to be supporting an event in London," Henman said. "It's disappointing that Greg's not here. There didn't seem to be too many problems with him on the practice court this morning."

Tony Pickard, Rusedski's coach, explained that the big-serving left-hander is still troubled by the injury to his lower back that caused him to retire during the recent ATP Tour Championship in Hannover. "It just has not healed," Pickard said. "His back has locked three days in a row. We practised at Wimbledon on Monday and Queen's on Thursday. It happened both times. It's not just a matter of his serving. It happens all the time."

Pickard said he had been in favour of Rusedski playing in the event. "I told him it would be a good thing to play these three light-hearted matches, but we've taken the view that it's better to pull out before this tournament than during a match.

"The young man has been in a mess for two days. He cannot confidently go into a match, no matter how light-hearted. The important thing is to get himself absolutely right for the new year."

John McEnroe received a warm welcome when he walked out to play his opening round-robin match against the wily Argentinian Guillermo Vilas, aged 45. McEnroe, 38, did not take long to find his range and touch, and, true to form, he quickly found fault with some of the line calls. He was also warned for tossing his racket and swearing.

McEnroe won, 6-3, 6-3, a splendid warm-up for this afternoon's long-awaited contest between McEnroe and his great rival Bjorn Borg.

Of all those who have particular memories of Borg, few are as poignant as Henri Leconte's recollection of his meeting with the Swede in Monte Carlo in 1983. Leconte's victory there marked the end of an era.

The flamboyant Frenchman still hesitates when asked to comment. "I don't like to talk about Bjorn, because he's my hero," he said yesterday after entertaining spectators with a 6-3, 6-2 win against South Africa's Johan Kriek.

But did Leconte believe that Borg really meant to disappear from the game when he first retired, having won five consecutive Wimbledon singles titles and six at the French Open?

"Definitely," Leconte said, adding that he was more surprised by the Swede's abortive comeback in 1991. "I played him in Stuttgart and he still had a wood racket and tried to play the same way, but he was not fast enough. The generation had changed. But now, on the senior tour, Bjorn is moving well and playing good."

ATHLETICS

McKiernan sets her sights on London

Catherina McKiernan, who ran the fastest marathon in history by a woman debutant two months ago, was confirmed yesterday as one of the prime movers at the Flora London Marathon next April.

McKiernan, whose winning time of 2hr 23min 44sec in Berlin has been bettered by only seven athletes, appears to have an excellent chance of adding another victory over 26.2 miles closer to home.

If she does, it will come as no surprise to the sports physiologists at Trinity College, Dublin who have monitored her aerobic performance regularly over the last nine years.

"They have always told me I had a marathon runner's make-up," the 27-year-old Irishwoman said yesterday. "They have been nagging at me to run a marathon for years, but I have erred on the side of caution because I didn't want to do too much too early in my career."

Not that McKiernan has been marking time up to now – she has established a huge reputation in cross-country, winning the inaugural European title and, tantalisingly, taking silver at the World Championships four times.

The lure of trying to add a world gold is still there – she will run in the cross-country event at Durham in January as part of her preparations, and has not ruled out competing at the next World Championships in Morocco.

The fact that that race will be held over 10 kilometres, rather than 6.5 as it has in recent years, will favour a runner who has always looked comfortable at the longer distances.

McKiernan's marathon credentials will be tested to the full in London, however, following yesterday's confirmation that she will face Liz McColgan, beaten into second place by just one second in the 1997 event, and Hiromi Suzuki, the reigning world champion.

The Irish runner believes Ingrid Kristiansen's world record of 2hr 21min 06sec – set in London in 1985 – may be within her reach.

– *Mike Rowbottom*

Leading ice dance pairs excluded from Olympics

British ice skating is in a state of shock following the decision not to take four of their top performers to next year's Winter Olympics in Japan. *Mike Rowbottom* **reports.**

The British ice dance pair preparing to follow in the steps of Jayne Torvill and Christopher Dean at next February's Winter Olympics have been told not to bother.

Marika Humphreys and Philip Askew – coached by the woman who guided Torvill and Dean, Betty Callaway – are not of a sufficiently high standard to justify a place, the British Olympic Association has ruled.

Britain's leading ice skating pair, Lesley Rogers and Michael Aldred, have also been told they will not go to the Games, which start in Nagano, Japan on 7 February.

The shock waves following the decision have been reverberating around British ice skating. Celia Godsall, chief executive of the National Ice Skating Association, said all four skaters involved were "devastated" by the BOA's decision, and confirmed that Humphreys and Askew, who were 16th out of 29 in this year's World Championships, have split up as a result.

Both pairs passed the Olympic selection requirements of skating's international body, FISU, by finishing within the first four nations at a qualifying tournament in Vienna.

But in April, following sustained criticism of Britain's performance at the 1996 Olympics, the BOA announced that in future it would require all its Games competitors to show they could finish in the top half of their events' world rankings.

Neither pair has been able to do that since because of injury problems, but both had hoped to impress sufficiently in next month's European Championships.

"You spend your life dreaming of the Olympics, you pass the international qualification, and then what happens?" said Askew. "You are told you still can't go. I thought the Olympic motto said it was not the winning, but the taking part. The BOA don't appear to believe in that any more."

Aldred said the decision had been devastating for him. "I am 26 now, and that is my last chance of the Olympics gone," he said. "I am giving very serious thought to whether I continue in the sport.

"I believe we could have had the best all-round skating team Britain has ever produced at the Olympics, but it looks now as if there will be just one going in the men's singles and perhaps one in the women's singles. It will be a very lonely Games for them.

"I appreciate that the BOA is trying to raise the British game, but they are going about things in the wrong way. You can't exclude people from the very environment they need to improve.

"Our places will simply go to less well qualified skaters from other countries now.

"It is ironic that if we had come from Canada, the world's top skating nation, our performances in Vienna would have assured us of an Olympic place."

The exclusion of Humphreys and Askew may also mean the end of a distinguished career at the top for Callaway, who has said that this pairing would be the last she would advise.

Britain's team for the Games will comprise 35 members – significantly fewer than the party which set out for Lillehammer four years ago. But the BOA has stressed that their policy is not based on the need for economy. "We want our athletes to perform with credibility," said the BOA chief executive, Simon Clegg.

SPORTING DIGEST

Basketball

NBA: Chicago 97 Boston 87, Detroit 108 Phoenix 103 (ot); Miami 94 Philadelphia 90, Seattle 93 New Jersey 89, LA Lakers 107 Denver 83, Indiana 94 Minnesota 90, Utah 115 Toronto 98, Orlando 101 Vancouver 87, Cleveland 95 Golden State 67

WEDNESDAY'S LATE RESULTS: European Championship Semi-final (Guildford): Ukraine 88 England 61

Cricket

The BBC has won the rights to show nightly highlights of the five Tests and five one-day internationals during England's winter tour of the West Indies.

Pat Symcox spearheaded South Africa to a 67-run victory over Australia in their World Series one-day international in Sydney yesterday. Symcox hit an unbeaten 27 while helping add 40 runs for the last wicket with Allan Donald to boost South Africa's total to 200 off 50 overs. Then the 37-year-old off-spinner took 4 for 28 off 10 overs as Australia were all out for 133 in 38 overs

WORLD SERIES (Sydney): South Africa 200 (50 overs); Australia 133 (38 overs). **South Africa beat Australia by 67 runs.**

TOUR MATCH (Cape Town, second day of three): Western Cape Academy 263; England Under 19 [illegible] for 3.

Football

Milan Cvirk, a midfielder with the Slovak champions Kosice, died in a car crash on Tuesday, while the club's striker Albert Rusnak, who was driving, suffered complex fractures to both legs. Rusnak played as a substitute against Manchester United in last week's Champions' League match at Old Trafford, while Cvirk remained on the bench.

Grasshopper Zurich have named the former Swiss national team coach, Rolf Fringer, as their new coach, to replace Christian Gross, who is now at Tottenham Hotspur.

Manchester United's 22-year-old central defender Chris Casper has signed a new two-year deal with the club.

The Bolivian international Jaime Moreno was back in action for Middlesbrough on Thursday after rejoining the club on a three-month loan from Washington DC Utd. The 24-year-old striker helped Boro's reserves to a 2-0 win over West Bromwich at the Riverside Stadium.

Italy's referees will delay the start of matches this weekend by 15 minutes in their first attempt at industrial action, as a protest about attacks on them in the media, and a lack of support from Italian football authorities.

FA CARLING PREMIERSHIP: Fixture changes: Wed 18 Feb: Aston Villa v Man Utd (from 13 April). Sat 14 Mar: Manchester Utd v Arsenal (11.15am kick-off). **Sun 15 Mar:** Derby v Leeds (from 14 Mar). **Sun 5 Apr:** Derby v Chelsea (from 4 Apr)

EXHIBITION MATCH

Rest of World (5) ...5	**Europe (1)** ...2	
De Avila 17	Lacatus 1	38000
Ronaldo 22, 43	Zidane 61	
Batistuta 31, 37		

(at Stade Velodrome, Marseilles)

WEDNESDAY'S LATE RESULTS. FA Carling Premiership: West Ham 4 Crystal Palace 1. **Nationwide Football League First Division:** QPR 1 Norwich 1. **Second Division:** Millwall 0 Walsall 1. **Third Division:** Brighton 0 Notts County 1. **Bell's Scottish League Second Division:** Livingston 1 East Fife 0. **FA Umbro Trophy Third qualifying round:** Solihull Borough 2 Emley 1. **Third qualifying round replays:** Cambridge City 6 Merthyr Tydfil 3 (aet); Raunds 3 Wisbech 2 (aet); Winsford 0 Matlock 0 (aet; Winsford won 5-3 on penalties). **UniBond League Cup third round:** Gainsborough Trinity 4 Eastwood Town 3. **Dr Martens League Southern Division:** Fareham 3 Weymouth 3. **Winstonlead Kent League First Division:** Canterbury 3 Hythe 2. **Unijet Sussex County League First Division:** Eastbourne Town 0 Whitehawk 3. **Screwfix League Premier Division:** Odd Down 0 Mangotsfield 2. **Jewson Eastern League Cup Second round:** Chatteris 1 Ely 1; Ipswich Wanderers 2 Swaffham 2; Thetford 1 Diss 3. **Gilbert League of Wales Cup Second round second leg:** Conwy 2 Flint 2 (agg 5-4); Cwmbran 2 Newtown 1 (agg 7-3). **Pontins League Premier Division:** Preston 2 Everton 1. **First Division:** Middlesbrough 2 West Bromwich 0. **Third Division:** Hull 0 Bury 1; Newcastle 6 Scunthorpe 1. **League Cup Group One:** Bradford City 1 Burnley 4. **Group Two:** Huddersfield 1 Sheffield Utd 2. **Group Five:** York 1 Barnsley 2. **Group Six:** Blackpool 2 Rotherham 0. **Avon Insurance Combination First Division:** Oxford Utd 0 Charlton 1; Swindon 0 West Ham 1; Southampton 2 Wimbledon 0 (abandoned half-time, floodlight failure). **The Times FA Youth Cup Second round:** Leicester 2 Liverpool 3; Leeds 3 Oldham 2; Coventry 0 Luton 4. **Dutch League:** NAC Breda 1 Roda JC Kerkrade 0; Fortuna Sittard 3 Volendam 0; MVV Maastricht 0 Ajax 3; Waalwijk 1 Sparta Rotterdam 3. **Belgian League:** Antwerp 0 Anderlecht 1; Beveren 2 Lierse 3; Club Bruges 1 Mouscron 0; St Truiden 2 Charleroi 0; Westerlo 2 Standard Liege 0. **German Cup Third round:** Meppen 0 Uerdingen 2; Bayer Leverkusen 1 Arminia Bielefeld 1 (aet; *Leverkusen win 4-3 on penalties*); Alemannia Aachen 1 Waldhof Mannheim 1 (aet; *Mannheim win 5-4 on penalties*). **Spanish Cup Third round first leg:** Recreativo Huelva 0 Celta Vigo 1; Figueres 1 Valencia 1; Novelda 2 Zaragoza 2; Lorca 2 Merida 0; Alaves 1 Compostela 0; Osasuna 3 Santander 0; Extremadura 1 Salamanca 0.

Golf

America's Laura Philo kept her overnight lead intact after a third round of 72 in the Women's Professional Golfers' European Tour Qualifying School tournament at Aroeira, Portugal yesterday. It left the American at three under par on 213 and two strokes clear of her French challenger Ludivine Kreutz, who also shot a 72.

WPGET QUALIFYING SCHOOL (Aroeira, Port) Leading third-round scores (GB or Irl unless stated): 213 L Philo (US) 71 70 72. 215 L Kreutz (Fr) 73 70 72. 218 S Cavalleri (It) 75 73 70. 219 L West (US) 72 71 76; A-B Sanchez (Sp) 74 71 74. 220 A Munt (Aus) 74 71 75; T Poulton 76 69 75. 221 A Rogers 76 73 72; M McKay 74 75 72. 222 L Dermott 76 71 75; L Educate 73 75 74. 224 M de Boer (Neth) 76 73 75; C Duffy 76 74 74; M Burstrom (Swe) 76 75 73; M-T Pistolet-Bosell (Fr) 76 73 75; S Eklund (Swe) 74 76 74; J Castaner (Fr) 75 73 76. 225 S Moon (US) 78 72 75; W Wisbon (US) 76 76 73; I Maconi (It) 72 77 76; S Lambert 77 72 76; E Fields 76 73 76. 226 M Madill 75 75 76; S Gallagher 76 75 75; T Lopp (Can) 76 76 74

JOHNNIE WALKER PGA EUROPE TEAM CHAMPIONSHIP (Marbella) Leading final scores: 418 Scotland (A Crerar 69, D Thomson 71). 423 Wales (S Bebb 69, P Mayo 69). 425 Netherlands. 426 Spain (Manuel Blanco 70, Manuel Montes 68). 428 England (P Lyons 71, P Wesselingh 71). Finland. **Selected.** 431 Ireland (D McGrane 69, G Loughrey 71)

MILLION DOLLAR GOLF CHALLENGE (Sun City) Leading first-round scores: 67 P Mickelson (US). 68 D Love III (US). 69 E Els (SA), B Langer (Ger). 70 J Parnevik (Swe). 71 N Price (Zim). 73 N Faldo (GB). 74 J Leonard (US), T Lehman (US), I Woosnam (GB). 76 M O'Meara (US). 78 C Montgomerie (GB).

HONG KONG OPEN Leading first-round scores: 66 D Wilson (US). 67 C Rocca (It), F Nobilo (NZ), A Kadir (Malay), Kang Wook-soon (S Kor), Lin Keng-chi (Taiw), R Kaplan (SA). 68 R Cuello (Phil), Hsu Mong-nan (Taiw), T Straub (US), Zhang Lianwei (Chi)

HITACHI CUP (Tokyo) Leading first-round scores (Japanese unless stated): 66 Keiichiro Fukabori, Hirofumi Miyase. 67 Taiso Ozaki, Mitsuo Hamada. 68 B Watts (US), Naomichi Ozaki, E Herrera (Col), C Arry (Aus), Yeh Chang-ting (Taiw)

Ice hockey

NHL: Buffalo 4 Anaheim 0; Montreal 2 Los Angeles 0, Boston 3 Philadelphia 0; Carolina 5 NY Islanders 3, Tampa Bay 2 Phoenix 1; Dallas 4 Edmonton 1, Detroit 4 Calgary 3

Rugby League

The Featherstone Rovers centre Darren Hughes has retired from playing after rejecting a new contract. The 23-year-old former Great Britain Academy international scored 28 tries in 61 appearances for the First Division club after signing from Leeds four years ago.

The Castleford utility player Grant Anderson, in his second spell with the Tigers after joining them from Halifax nearly two years ago, has been put on the transfer list. The 28-year-old former Great Britain Under-21 international's contract runs out at the end of the month.

The St Helens utility back Danny Arnold, an ever-present last season, is wanted by the Super League newcomers Huddersfield. They have been given permission to talk to the 20-year-old, even though he is under contract at Knowsley Road for another two years.

Rugby Union

DUBAI INTERNATIONAL SEVENS: Group One: Fiji 24 Western Samoa 7, Korea 33 USA 19. **Group Two:** New Zealand 42 Zimbabwe 17, Natal 28 Marauders 0. **Group Three:** Argentina 19 Tonga 12; Warblers 26 Canada 10. **Group Four:** AIS Australia 10 Morocco 0, Scotland 49 French Froggies 12

WEDNESDAY'S LATE RESULTS: Welsh National League First Division: Cross Keys 12 Pontypool 21. **Representative Match:** Royal Navy 38 R Australian Navy 3

Tennis

HONDA CHALLENGE ATP SENIOR SINGLES TOUR (Royal Albert Hall, London): Accord Group: J McEnroe (US) bt G Vilas (Arg) 6-3 6-3. **Prelude Group:** H Leconte (Fr) bt J Kriek (SA) 6-3 6-2. **Round-robin:** T Henman and D Felgate (GB) bt J Lloyd (GB) and P McNamara (Aus) 4-6 6-3 (*Henman and Felgate won deciding tie break 10-6*)

MASTERS OF CHAMPIONS WOMEN'S TOURNAMENT (Frankfurt): Group 1: A Huber (Ger) bt M Pierce (Fr) 6-3 6-2. **Group 2:** I Majoli (Croat) bt I Spirlea (Rom) 6-3 7-5.

TODAY'S NUMBER

7,000

The number of kilometres football's World Cup trophy will be carried by a group of marathon runners during a six-month tour of France prior to the start of the World Cup finals next June. The trophy will be displayed at 17 French cities plus Monaco

TODAY'S FIXTURES

Football

7.30 unless stated

FA CUP

SECOND ROUND

Chester v Wrexham (7.45)

GM VAUXHALL CONFERENCE

Halifax v Stalybridge (7.45)

UHLSPORT UNITED COUNTIES LEAGUE Premier Division: Stewarts & Lloyds Corby v Stamford

FAI HARP LAGER NATIONAL LEAGUE Premier Division: Drogheda United v Shelbourne (7.45); Shamrock Rovers v Bohemians (7.45); St Patrick's Athletic v Finn Harps (7.45)

Rugby League

SILK CUT CHALLENGE CUP First round: Blackbrook v Haydock (7.30)

Rugby Union

7.30 unless stated

UNDER-21 INTERNATIONAL: England v New Zealand (at Newbury)

TOUR MATCH: Glasgow v ACT (at Scotstoun, Glasgow)

CHELTENHAM AND GLOUCESTER CUP Group C: Sale v Moseley **Group D:** Blackheath v London Scottish (7.45)

CLUB MATCHES: Cheltenham v Lydney (7.0)

Basketball

BUDWEISER LEAGUE: Birmingham v Chester

Other sports

TENNIS: ATP Senior Tour of Champions (Royal Albert Hall, London)

IT'S A ROLLOVER!

Draw date: 3.12.97. The winning numbers: **1, 8, 36, 39, 47, 49.** Bonus number: **37.**
Total Sales: £29,913,147. Prize Fund: £13,460,916 (45% of ticket sales).

CATEGORY	NO. OF WINNERS	AMOUNT FOR EACH WINNER	TOTAL EACH TIER
Match 6 (Jackpot)	0	–	£4,950,579
Match 5 plus bonus ball	6	£253,875	£1,523,250
Match 5	293	£3,249	£951,957
Match 4	18,615	£112	£2,084,880
Match 3	394,057	£10	£3,940,570
TOTALS	412,971		£13,451,236

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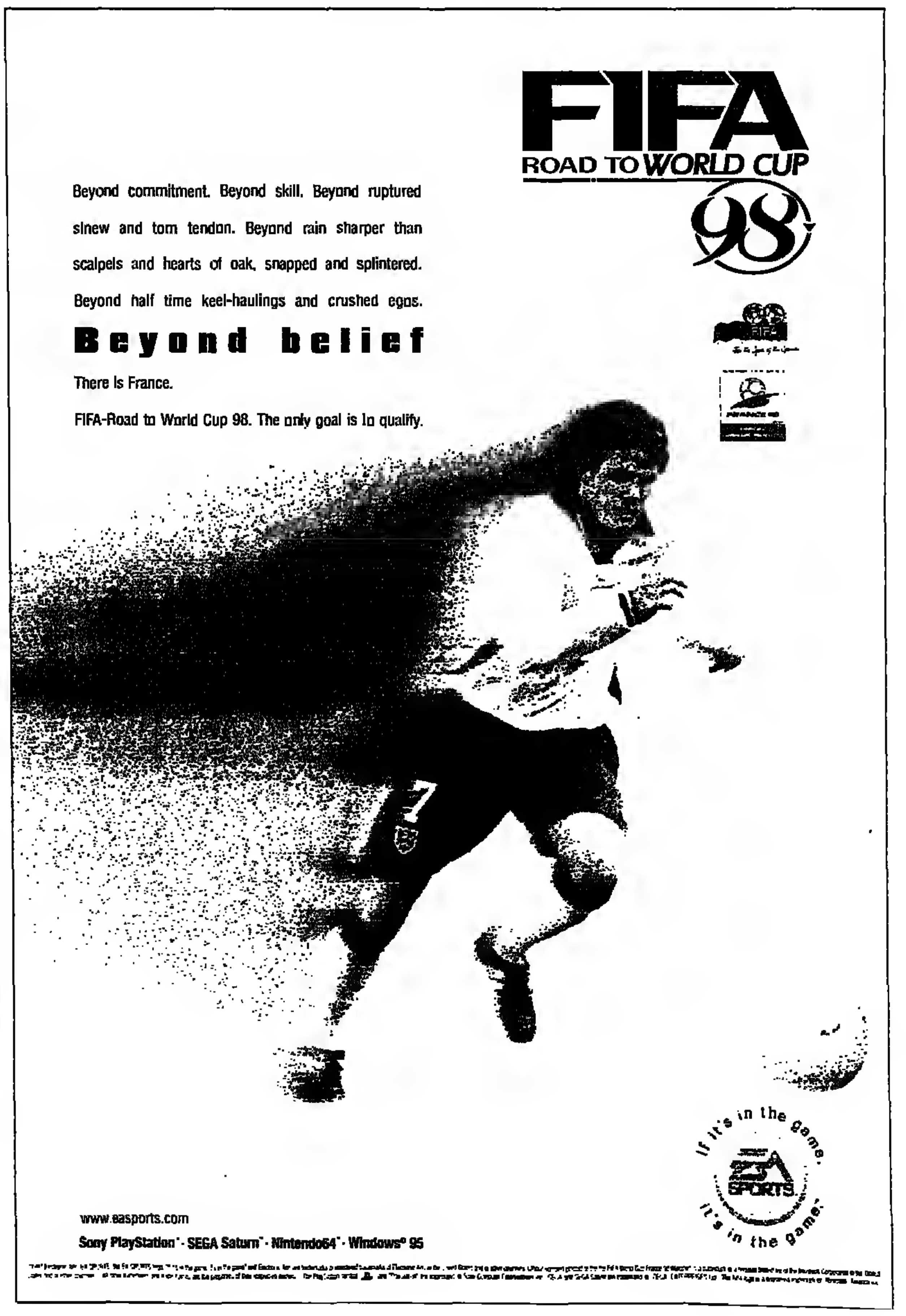
Breakage (prizes rounded down to nearest £1): £9,670.

THE NATIONAL LOTTERY

In the event of any discrepancies in the above, the data contained in Camelot central computer system shall prevail



هكذا من الأصل

Draw gives England and Scotland the chance to progress

Romania and Colombia are among England's World Cup opponents while Scotland have a glamorous game against Brazil. *Glenn Moore* **reports from Marseilles.**

England and Scotland were each handed difficult but by no means impossible tasks when the draw for next summer's World Cup was completed yesterday.

Scotland got the glamour: they will open the tournament against Brazil in Paris on 10 June in a match which promises to be a massive party for the Tartan Army but no picnic for the players. They will then meet the contrasting but still demanding talents of Norway in Bordeaux on 16 June before concluding the opening round in St Etienne against Morocco seven days later.

England's campaign opens with Tunisia in Marseilles on 15 June. They then meet group seeds, Romania, in Toulouse on 22 June before playing Colombia in Lens on 26 June, the last day of the qualifying rounds.

Scotland, if they progress, are likely to face Italy in the second round. England would almost certainly meet either Argentina or Croatia.

It could be worse: Group D with Spain, Bulgaria, Nigeria and Paraguay looks like being christened the group of death – but it could be better. Argentina and Croatia are paired with Japan and Jamaica in the most unbalanced group; Italy, with Cameroon, Austria and Chile, are in the weakest.

The most intriguing match is one between two minnows: Iran will play the United States in Lyon on 21 June. Their group looks certain to be won by Germany or Yugoslavia.

England have not beaten Romania since Geoff Hurst scored the only goal of the game in Guadalajara during the 1970 World Cup in Mexico. England have, however, twice knocked Romania out of the World Cup in the qualifiers, in 1982 and 1990, and drew with them in a Wembley friendly in 1994.

Romania only dropped one point in qualifying this time – in an inconsequential draw in Dublin – and are a talented but ageing team. The same applies to Colombia, although any manager will be wary of Faustino Asprilla. Tunisia are less well known. England have met them once, drawing 1-1 in Tunis before the 1990 World Cup, during which game Terry Butcher was alleged to have butted an opponent.

The Scots have played Brazil three times in the World Cup, drawing in 1974 and losing in 1982 and 1990. Both they and Norway, most of whose team play in the Premiership, are well known. They have never played Morocco.

The draw had been preceded by an exhibition match lit up by Ronaldo and an unseemly scramble in near dark as spectators briefly invaded the pitch. There followed lengthy preliminaries during which the 38,000 crowd grew bored and cold, amusing themselves by jeering the French federation president and any mention of Paris. Eventually Blatter and his team began to emerge and the crowd alternately cheered, jeered, and hushed.

After the seeds were placed, Morocco was first to emerge and were placed with Brazil, but not in the opening game – this honour was to go to Scotland. France soon discovered their opening opponents, South Africa in Marseilles on 12 June. They will also play Saudi Arabia and Denmark. Then came the European pot, Scotland were first out and were given Brazil. England were drawn towards the end.

The atmosphere had been building all day. The World Cup hall, the Tricolour, had been unveiled at the old port, one metro station staged an underground bar football competition, and Pele had said, depending who was listening, that England could win the World Cup and that they could not reach the semi-finals.

In the rehearsal draw, Scotland had been paired with Romania, a team Craig Brown did not want. England had got Brazil, whom Glenn Hoddle did want. In the real thing the roles were reversed. And so to Paris in June and, for England, a return here. It will be much hotter, on and off the pitch.

GROUP G
1 ....ROMANIA
2 ....COLOMBIA
3................**ENGLAND**
4 ....TUNISIA

GROUP A
1 ....BRAZIL
2................**SCOTLAND**
3 ....MOROCCO
4 ....NORWAY

Full draw, page 30

Sepp Blatter (left) takes a ball from Franz Beckenbauer while making the draw for the World Cup finals **Photograph: Charles Platiau/Reuters**

Ronaldo a picture of excellence at the exhibition

Glenn Moore
reports from Marseilles

Europe 2
Rest of the World 5

As Ronaldo's protracted transfer between Barcelona and Internazionale dragged on last season and this summer it appeared that he was one Brazilian who did not even go through the pretence of playing for fun. His football may have carried a smile but its enjoyment had a multi-million dollar price-tag.

That suspicion dissolved last night as the young striker gave a mouthwatering display of what his country's opponents can expect next summer. Exhibition matches can only hint at how a player will perform in the white heat of competition but Ronaldo has already proved himself in that arena. Last night, when he could have strolled through this imaginative appetiser for the World Cup draw, he stretched his limbs and his mind to put on a show.

It was the individual skill of Ronaldo, the most expensive footballer in the world and the representative of next summer's favourites, which enabled an apparently inferior Rest of the World side to defeat Europe handsomely in the Stade Véldrome.

The Brazilian scored two goals and made three during a virtuoso first-half display. Gabriel Batistuta, with two goals, and Antony De Avila, with one, were the main beneficiaries. Europe, who had scored first through Marius Lacatus, scored on the hour through the local hero Zinedine Zidane, but were not able to score again. Zidane, who grew up in Marseilles, looked the only player interested in the second half but he did not move quickly enough when the final whistle went and was mobbed by a significant number of spectators who invaded the pitch. Zidane, who had to be rescued by stewards, appeared quite shaken by the experience.

This scoreline is unlikely to be repeated in the World Cup, at least not with Germany's Andreas Köpke on the receiving end, but the beautiful setting, nestling among the snow-dusted limestone hills of southern Provence, will. A full house – and Fifa, football's world governing body – were equally relieved that the wind had fallen and rain stayed away. It was cold but clear and Marseilles had come to party, a version of "Roll out the Barrel" sharing top hilling with the Mexican wave.

Europe, with Paul Ince sitting just in front of the central defenders, began well with Romania's Lacatus taking advantage of an error by the Moroccan Nourieddine Naybet to put them ahead after 47 seconds.

Ronaldo then took over. He had a couple of sighters then put De Avila through for a 17th-minute leveller. Six minutes later he ran at and past Fernando Hierro to score. A one-two with Batistuta followed after 31 minutes, which ended with the Argentinian scoring. He did so again from Ronaldo's clever pass two minutes later. "Bat-i-Gol" chanted the fans. The half finished with Ronaldo's second: he was first to Adel Sellimi's long ball and, as Köpke flew out to meet it, nodded the ball past him before tapping in. This is Köpke's home ground; the match may have been a friendly but it was still a humiliation, especially as Frode Grodas took over at half-time.

Franz Beckenbauer had clearly had a few words about defensive principles in the break and the second period was less exciting. Rangers' Gordon Durie started and, on the hour, was joined by Derby's Deon Burton who missed a clear chance almost immediately. At least he will be able to say he was here and played.

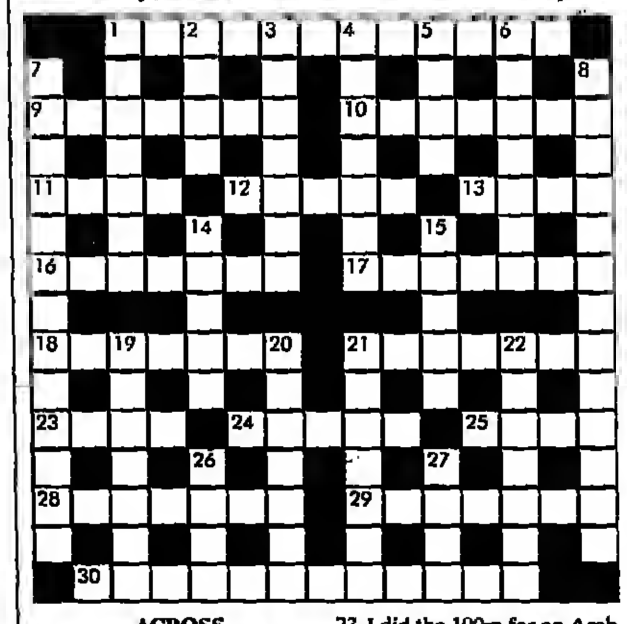
EUROPE (5-3-2) **Köpke** (Germany & Marseilles); **Pfeifenberger** (Austria & Werder Bremen), **Hierro** (Spain & Real Madrid), **Ince** (England & Liverpool), **Costacurta** (Italy & Milan), **Lemoine** (Belgium & Espanyol); **Lacatus** (Romania & Steaua Bucharest), **Zidane** (France & Juventus), **Balakov** (Bulgaria & VfB Stuttgart); **Boksic** (Croatia & Lazio), **Kluivert** (Netherlands & Milan). **Substitutes: Grodas** (Norway & Chelsea) for Köpke, h-t; **Colding** (Denmark & Brondby) for Hierro, h-t; **Jokanovic** (Yugoslavia & Tenerife) for Lemoine, h-t; **Durie** (Scotland & Rangers) for Kluivert, h-t. **Substitute not used: Pashazadeh** (Iran & Tehran).

REST OF THE WORLD (4-3-1-2): **Songo'o** (Cameroon & Deportivo La Coruña); **Myung-Bo Hong** (South Korea & Bellmare Hiratsuka), **Margas** (Chile & Universidad Catolica), **Naybet** (Morocco & Deportivo La Coruña), **Nyathi** (South Africa & St Gallen); **Nakata** (Japan & Bellmare Hiratsuka), **Bernal** (Monterrey & Mexico), **Sellimi** (Tunisia & Nantes); **De Avila** (Colombia & New York-New Jersey MetroStars); **Batistuta** (Argentina & Fiorentina), **Ronaldo** (Brazil & Internazionale). **Substitutes: Diaz** (Paraguay & Monterrey) for Song'o, h-t; **Burton** (Jamaica & Derby) for Batistuta, 61; **Wynalda** (United States & San Jose Clash) for De Avila, h-t; **Sulimani** (Saudi Arabia) for Ronaldo, 61. **Substitute not used: Kanu** (Nigeria & Internazionale).

Referee: G Veissiere (France).

THE INDEPENDENT CROSSWORD

No. 3474. Friday 5 December **By Phi**



Thursday's solution

ACROSS

1 Making an impression, coming out and in (8, 4)
9 Crime perpetrated by Scotsman snatching books (English) (7)
10 Revolutionary vehicle, putting end to quiet rumble when in motion (7)
11 Some meaner duties will do for an oaf (4)
12 Glowing rich clothing, not new (5)
13 Cut cakes from the other direction (4)
16 Metal from the ocean apparently good for chairs (7)
17 Exact measurement used by Americans (and nearly everyone) (7)
18 Not favouring railway, missing connection (3-4)
21 Island, one plunged into angry period (7)
23 I did the 100m for an Arab country (4)
24 Bright students returning to US city (5)
25 Criticise religion that has no place for one (4)
28 Trim coat, almost charming (4-3)
29 Old Arab comes from a people between South and North (7)
30 Run away to find something better than solitude? (4, 1, 7)

DOWN

1 Agitated bear is hugging one in part of Russia (7)
2 Ocean feature bird's following (4)
3 Crucial call is what links openers (3-4)
4 Typical old city found in South African province (7)
5 Border policeman's first to find source of drug (4)
6 RN air connected with me, possibly (7)
7 Discovers places in the sun? (6, 2, 5)
8 China supporting world conflict – a worrying thing for the planet (6, 7)
14 Man holds one up, staying in bed (3-2)
15 Boss has yen for workroom (5)
19 Flimsy newspaper found in dossier (7)
20 O°? The temperature's usually hotter here (7)
21 Rewriting items and ignoring a fixed opinion (7)
22 Wrong and bad, I state, endlessly (7)
26 Glaswegian, say, about to be collared by drunk (4)
27 Real peace, source of conflict being removed (4)

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RUGBY UNION

Healey asked to take wing against New Zealand

Another England rugby union Test, another change on the wing. Austin Healey, a career scrum-half until Leicester decided otherwise, will square up to the All Blacks' state-of-the-art threequarter line tomorrow with the number 11 emblazoned on his back. *Chris Hewett* **reports on the latest radical selection departure.**

Austin Healey considers himself a scrum-half, Phil Larder says he has the footballing skills of a top-class stand-off and Clive Woodward sees him as a sharp, spikey left wing. The Leicester Lip speaks in many tongues, clearly, but it is Woodward's opinion that holds sway for tomorrow's second Test between England and New Zealand at Twickenham. Healey will definitely out-talk Jeff Wilson, the blond bombshell who opposes him – he out-talks everyone as a matter of course – but his success in outplaying the outstanding All Black wide man will be crucial to the national cause.

Larder, the former Great Britain rugby league coach who has just crossed the Rubicon to take up a technical specialist's role with Woodward's squad, believes Healey should be more closely involved in the decision-making process and is touting him as a future No 10. Not even Woodward is prepared to go that far just at the moment, though. "I'm not saying I disagree with Phil," the coach said yesterday. "It's just that I've never really thought along those lines.

"What I will say is that Austin is one of the players who has most impressed me over the last month, both in terms of his ability and his commitment in training. I have no problem running him on the wing; rugby at this level requires genuine pace and he provides it. What is more, he is one of the most destructive tacklers we have."

With David Rees returning to the right wing to go eyeball to eyeball – or, rather, eyeball to hipbone – with Jonah Lomu, and Phil de Glanville back at inside centre following ankle problems, England have reverted to the threequarter line that finished the first All Black Test at Old Trafford just over a fortnight ago. The other changes see Paul Grayson in Hobson's Choice mode at stand-off and Kyran Bracken replacing Matt Dawson inside him.

"I think we always identified this match as the biggest of the four and the most difficult in terms of preparation," Woodward said. "But we're approaching it positively, we have more pace with which to make things happen and we intend to play some football, to score tries. The statistics show that 80 per cent of Tests are won by the side scoring the most tries and they also show that England have been bottom of the league in that respect for a decade. You don't beat teams like the All Blacks by attempting to pummel them to death, so we're ready to go the other way."

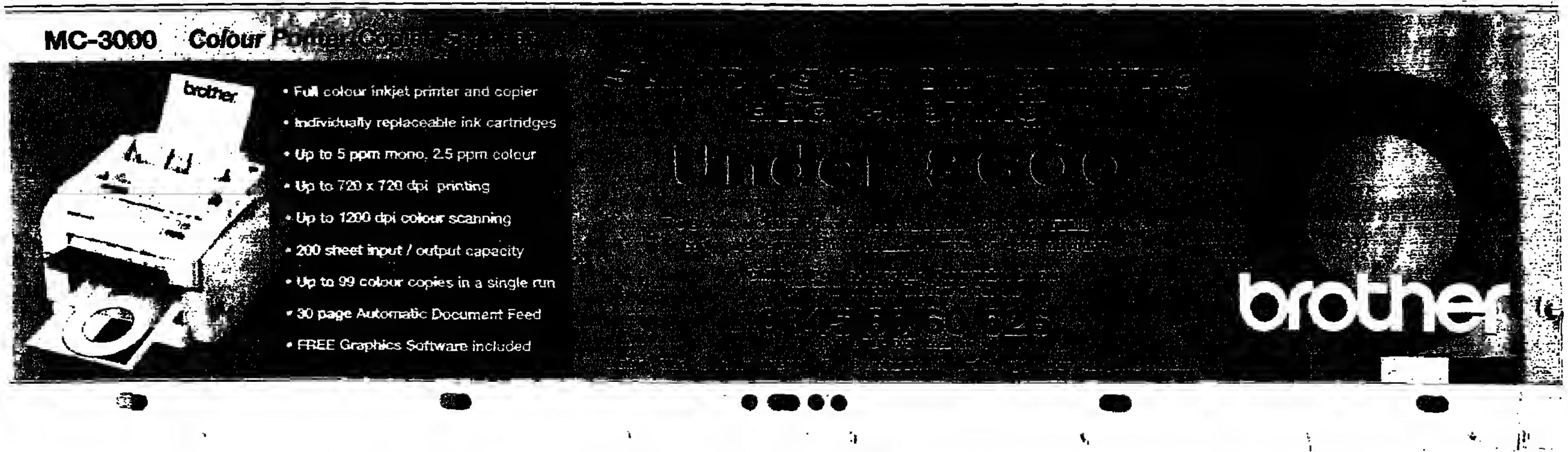
Woodward knows full well that whatever else happens tomorrow, the tourists will score tries. Craig Dowd's failure to recover from hamstring trouble only increases their attacking options because his replacement at loose-head prop will be Mark Allen, one of the most capable ball-playing front-rowers in the world game. And besides, a certain Zinzan Brooke will be looking to mark his 100th and final appearance in an All Black shirt by making a mark on the scoreboard.

"We will be at Twickenham to win, but we will also be there to celebrate one of the great careers," John Hart, the New Zealand coach, said yesterday. "Zinny has carved a special niche in the game; he possesses an all-round quality that few loose forwards in history have matched – indeed, I wonder if anyone has ever matched him – and he will leave a hole we cannot fill. We won't even try to fill it."

Typically, Brooke modestly concealed what will be an emotional personal occasion within the wider All Black team ethic. "I treat all Tests on their merits and while completing 100 games in the black jersey will be a great moment for me, it can only be properly honoured by doing the job right," he said. "How will I feel at the end? I don't know. I've never retired before."

ENGLAND (v New Zealand, Twickenham tomorrow): **M Perry** (Bath); **D Rees** (Sale), **P de Glanville** (Bath), **W Greenwood** (Leicester), **A Healey** (Leicester); **P Grayson** (Northampton), **K Bracken** (Saracens); **J Leonard** (Harlequins), **R Cockerill**, **D Garforth**, **M Johnson** (all Leicester), **G Archer** (Newcastle), **L Dallaglio** (Wasps, capt), **R Hill** (Saracens), **N Back** (Leicester). **Replacements: T Stimpson** (Newcastle), **M Dawson** (Northampton), **K Yates** (Bath), **M Regan** (Bath), **D Grewcock** (Saracens), **C Sheasby** (Wasps).

Scotland injury worries, page 29



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